WHAT METROPOLITAN-LEVEL FACTORS AFFECT LATINO-OWNED BUSINESS PERFORMANCE?

A Dissertation
Presented to
The Academic Faculty

by

Jessica Lynn Harbour Doyle

In Partial Fulfillment
of the Requirements for the Degree
Doctor of Philosophy in the
School of City and Regional Planning, College of Design

Georgia Institute of Technology
December, 2018

WHAT METROPOLITAN-LEVEL FACTORS AFFECT LATINO-OWNED BUSINESS PERFORMANCE?

Approved by:

Dr. Catherine L. Ross, Advisor
School of City and Regional Planning
Georgia Institute of Technology

Dr. Alberto Fuentes
School of City and Regional Planning
and School of International Affairs
Georgia Institute of Technology

Dr. Cathy Yang Liu
Andrew Young School of Policy Studies
Georgia State University

Dr. Nancey Green Leigh
School of City and Regional Planning
Georgia Institute of Technology

Dr. Kaye Husbands Fealing
School of Public Policy
Georgia Institute of Technology

Date Approved: November 6, 2018

To the memories of my grandfather, Joseph Gutstein,
and my mother, Gail S. Harbour

Acknowledgments

My first thanks go to Dr. Catherine L. Ross, who was willing to take a chance on me not once but twice; first as a potential new graduate student in 2005, and then again when I came back from a long leave with a new thesis topic. I have been lucky to benefit from her patience, her enthusiasm, and her intelligence.

I would also like to thank my committee—Dr. Cathy Yang Liu, Dr. Kaye Fealing, Dr. Alberto Fuentes, and Dr. Nancey Green Leigh—for their thoughtful feedback and commitment. Dr. Dan Immergluck of Georgia State University and Dr. Anna Joo Kim of San Diego State University also gave valuable input to this research project in its proposal stage. Dr. Leigh Bottomley provided valuable assurance and practical advice in the final months.

Finally I would like to express gratitude for my family, particularly my husband, Mike Doyle, whose combination of practical thinking and love helped sway me from a habit of self-pity. This dissertation would never have been completed without his support.

Table of Contents

Acknowledgments ..... **iv**

List of Tables ..... **x**

List of Figures ..... **xiv**

Summary ..... **xvi**

Chapter 1 : Introduction **1**

1.1 What Metropolitan-Level Factors Affect Latino-Owned Business Performance? 1

1.2 Entrepreneurship, Immigration, and Planning Research 5

1.3 A Potential Model for Understanding Latino Entrepreneurship 8

1.4 Structure of the Dissertation 11

Chapter 2 : Recent Trends in Latino Settlement and Business Creation **14**

2.1 Introduction: The Latino Population of the United States 14

2.2 Who Is Latino? 16

2.3 Shifts in Latino Settlement Since 1990 and the Creation of "Gateways" 20

2.4 An Overview of Latino-Owned Business Activity 29

2.5 Immigration Law, Enforcement, and Latino Settlement Patterns 39

2.6 Conclusion 44

Chapter 3 : Literature on Ethnic Entrepreneurship and Latino Entrepreneurship **46**

3.1 Introduction 46

3.2 How, and Why, Immigrants Become Entrepreneurs 47

3.2.1 Theories of Immigrant Entrepreneurship 48

3.2.2 Pushed or Pulled? 52

3.3 Difficulties Faced by Immigrant Entrepreneurs 54

3.3.1 Does Entrepreneurship Benefit Immigrants? 54

3.3.2 Informational Gaps Faced by Immigrant Entrepreneurs 57

3.3.3 Immigrants' (Lack of) Access to Startup Capital 58

3.4 Ethnic Enclaves and Social Networks 61
3.4.1 Immigrant Entrepreneurs' Strategies 61
3.4.2 Defining the Ethnic Enclave 63
3.4.3 How the Ethnic Enclave Supports Entrepreneurs 66
3.4.4 Disadvantages Outside and Within the Enclave 69
3.5 Financing and Information Resources 72
3.5.1 Government-Backed Financing Programs 73
3.5.2 Ethnic Banks and Community-Based Organizations 76
3.6 Introducing Geographic Variables to Immigrant Entrepreneurship Research 79
3.7 The Literature on Latino Entrepreneurs 86
3.7.1 Latinos: Pushed or Pulled into Entrepreneurship? 87
3.7.2 Latino Entrepreneurs in Ethnic Enclaves 89
3.7.3 Latino Entrepreneurs Facing an Informational Gap 97
3.7.4 Latino Entrepreneurs' Access to Financing Sources 100
3.8 Conclusion: Latino Entrepreneurs and Changing Geographies 103

Chapter 4 : Comparing Latino-Owned Business Performance at the MSA Level 108
4.1 Introduction 108
4.2 Methodology 110
4.2.1 Determining Dependent and Independent Variables 110
4.2.2 Methods of Analysis 114
4.3 How Are Latino Entrepreneurs Different from Non-Latinos? Evidence from the Annual Survey of Entrepreneurs 116
4.3.1 Industry 119
4.3.2 Citizenship Status at Birth 120
4.3.3 Age of Owner 120
4.3.4 Formal Education 122
4.3.5 Reason for Starting a Business 122
4.3.6 Prior Self-Employment Experience 125
4.3.7 Number of Hours Worked Per Week on Business 125

4.3.8 How Business Was Acquired 126
4.3.9 Age of Business 127
4.3.10 Intellectual Property Holdings 129
4.3.11 Operations Outside the United States 129
4.3.12 Language Spoken at the Business 129
4.3.13 Family Ownership 130
4.3.14 Source and Amount of Initial Startup Capital 130
4.3.15 Negative Impacts on Business 132
4.3.16 Success in Establishing New Funding Relationships 132
4.3.17 Profitability 133
4.3.18 Business Operating Status and Causes of Shutdown 133
4.3.19 Projected Future of the Business 134
4.3.20 Summary of Conclusions from the 2014 ASE Data 134
4.4 Differences in Latino-Owned Business Performance by MSA 135
4.4.1 Latino-Owned Business Performance Between 2002 and 2012 136
4.4.2 Share of Latino-Owned Firms in Construction as a Potential Independent Variable 137
4.4.3 Why Credit Availability Is a Difficult Independent Variable to Measure 143
4.4.4 Using the "Gateway" Typology to Understand Latino-Owned Business Performance 145
4.5 Further Testing of the Gateway Typology and Metropolitan Business Environments 167
4.5.1 Summary Statistics 169
4.5.2 Variables and Hypotheses 171
4.5.3 Results and Discussion 173
4.6 A Qualitative Comparison of Latino-Owned Business Activity: Looking More Closely at Denver and Durham 179
4.6.1 Denver: Overview of Latino-Owned Business Activity 181
4.6.2 Denver: Focus on the Globeville-Elyria-Swansea Neighborhoods ... 182
4.6.3 Denver: Latino-Owned Businesses in Zip Code 80216, 2012 186

4.6.4 Durham: Overview of Latino-Owned Business Activity 193
4.6.5 Durham: Latino-Owned Businesses in Zip Codes 27703 and 27704, 2012 197
4.7 Summary 204
Chapter 5 : Conclusion 206
4.8 Introduction and Summary 206
4.9 Implications for Data Collection 207
4.10 Implications for Theory and Future Research 211
4.11 Implications for Planning Practice 221
4.12 What Next for Latino Entrepreneurship Research? 227
Appendix 229
A.1 Statistics from the 2014 Annual Survey of Entrepreneurs (ASE) 229
A.1.1 Industry Mix 229
A.1.2 Citizenship Status at Birth 231
A.1.3 Age of Owner 231
A.1.4 Highest Level of Education Reported 231
A.1.5 Motivation for Starting a Business 232
A.1.6 Previous Self-Employment Experience 233
A.1.7 Number of Hours Worked Per Week on Business 234
A.1.8 How Business Was Acquired 234
A.1.9 Age of Business 234
A.1.10 Intellectual Property Holdings 235
A.1.11 Business Operations Outside the United States 235
A.1.12 Language Spoken at the Business 236
A.1.13 Family Ownership of Business 236
A.1.14 Initial Amount of Startup Capital 236
A.1.15 Source of Startup Capital 237
A.1.16 Negative Impacts on Business 238
A.1.17 Attempts to Acquire More Capital 239
A.1.18 Profitability 241
A.1.19 Current Operations 242

A.1.20 Reason Business Ceased Operations 242
A.1.21 Future of the Business 242
A.2 Comparing Metropolitan Areas by SBO Data 243
A.3 Gateway Classification of Metropolitan Statistical Areas 245
A.4 Tables Created in Calculating Regression Comparing Gateways 248
References 257

List of Tables

Table 2.1: Ten Largest Metropolitan Latino Populations in Continental United States (2016 5-year ACS estimates) 15
Table 2.2: Top Ten Metropolitan Areas by Population for Selected Sub-Categories of "Latino" (2016 5-year ACS estimates) 18
Table 2.3: Gateway Classification of Selected Metropolitan Areas from Singer (2013) 25
Table 2.4: Growth in Total, Foreign-Born, and Latino Populations, 1990-2016, For Selected Metropolitan Areas (author's calculations from 1990 Census SF1 data and 2016 5-year ACS data) 27
Table 2.5: Self-Employment by Ethnic Self-Classification of Worker, 2011–15 ACS data (cross-tabulated by IPUMS) 30
Table 2.6: National Industry Mix for Latino-Owned Firms (author's calculations from 2012 SBO) 31
Table 2.7: Percent with paid employees and average receipts for firm by industry, Latino-owned and non-Latino-owned firms (author's calculations from 2012 SBO) 34
Table 2.8: Most Popular Business Types for Latino Owners, NAICS Classification 56 (author's calculations from 2012 SBO data) 35
Table 2.9: Estimated Use of Different Types of Labor by Firms in 2015 American Survey of Entrepreneurs (percentages calculated by Census Bureau) 37
Table 2.10: Selected Metropolitan Areas by Latino Population, Latino-Owned Firm Count, and Total Annual Latino-Owned Revenue, 2012 (author's calculations from 1-year 2012 ACS and 2012 SBO) 38
Table 3.1: Observed Strategies Used by Immigrant Entrepreneurs (after Boissevain et al., 1990) 61
Table 3.2: Latino-Owned Deposit Institutions in the United States as of June 30, 2018 (Federal Reserve, 2018) 102
Table 4.1: Selected entrepreneur-driven verses MSA-driven independent variables 113
Table 4.2: R Packages Most Frequently Used in Analysis 115
Table 4.3: Firms with Employees Owned by Latino and Non-Latino Respondents to the 2014 ASE (author's calculations from 2014 ASE data) 116
Table 4.4: Revenue and Payroll of Latino- and Non-Latino-Owned Firms by Gender of Owner (2014 ASE data) 117
Table 4.5: Gender of Business Owners, Latino and Non-Latino (author's calculations from 2012 SBO data) 117
Table 4.6: Mean and Median Statistics for Latino-Owned Firm Performance by MSA, 2002-12 (author's calculations from 2002 and 2012 SBO data) 136

Table 4.7: Descriptive Statistics, including for Share of Latino-Owned Firms in Construction, of MSAs in Study (author's calculations from 2012 SBO and 2012 1-year ACS) 138
Table 4.8: Selected Descriptive Statistics of 104 MSAs Classified by Gateway Status (author's calculations from 2002, 2007, and 2012 SBOs)..... 147
Table 4.9: Re-Emerging Gateway MSAs and Their Respective Latino Populations, 2007 (from 2007 ACS) 149
Table 4.10: Minor-Emerging Gateway MSAs and Their Respective Latino Populations, 2007 (from 2007 ACS) 150
Table 4.11: Latino and Non-Latino Population by Housing Unit Occupancy (author's calculations from 2012 1-year ACS) 151
Table 4.12: Comparing Latino-Owned and Non-Latino-Owned Firms in Re-Emerging Gateways, 2007 (from 2007 SBO)..... 153
Table 4.13: Comparing Latino-Owned and Non-Latino-Owned Businesses in Minor-Emerging Gateway MSAs, 2007 (from 2007 SBO)..... 154
Table 4.14: Comparing Latino-Owned and Non-Latino-Owned Businesses in Re-Emerging Gateway MSAs, 2012 (from 2012 SBO) 155
Table 4.15: Comparing Latino-Owned and Non-Latino-Owned Businesses in Minor-Emerging Gateway MSAs, 2012 (from 2012 SBO data) 156
Table 4.16: Selected Changes in Latino-Owned (Relative to Non-Latino-Owned) Firm Performance, 2007-12 (author's calculations from 2007 and 2012 SBO data)..... 157
Table 4.17: Minor-Emerging and Re-Emerging Gateway MSAs by Score of State Legislature, 2005-11 (from Monogan, 2013) 160
Table 4.18: Selected Measures of Latino Populations in Re-emerging MSAs (author's calculations from 2007 1-year ACS) 162
Table 4.19: Selected Measures of Latino Populations in Minor-emerging MSAs (author's calculations from 2007 1-year ACS) 163
Table 4.20: Dummy Variables for Re-emerging and Minor-emerging MSAs (author's assignments)..... 164
Table 4.21: Logit Regression Analysis on Re-emerging and Minor-emerging MSAs (. = p <0.1, * = p < 0.05, ** = p <0.01) (author's calculations)..... 165
Table 4.22: Independent Variables Used in Comparing Gateway MSAs (source is 2010–14 5-year ACS data unless otherwise stated)..... 168
Table 4.23: Gateway Categories by Percent of Workforce Reporting Self-Employment (author's calculations from 2010–2014 5-year ACS data, cross-tabulated by IPUMS)..... 169
Table 4.24: Self-Employment by County or Place of Origin by Gateway Group (author's calculations from 2010–14 ACS data, cross-tabulated by IPUMS)..... 170
Table 4.25: Workforce by Latino Status and Country/Place of Origin by Gateway Group (author's calculations from 2010–14 5-year ACS data, cross-tabulated by IPUMS) 170
Table 4.26: Hypothesized Effects of Independent Variables on Latino Self-Employment..... 171

Table 4.27: CDFIs Reporting Loans to Latinos by Gateway MSA, 2010-14 (data from U.S. Department of the Treasury) 172
Table 4.28: Selected Statistics for Denver and Durham Metropolitan Areas (author's calculations from 2007 1-year ACS and 2007 and 2012 SBO) 180
Table 4.29: Summary Statistics for Denver MSA, 2002, 2007, 2012 (author's calculations from 2002, 2007, and 2012 SBO) 182
Table 4.30: Selected Statistics for Census Tracts 15 and 35 and the State of Colorado, 2012 (author's calculations from 2012 5-year ACS data) 184
Table 4.31: Selected Characteristics of 85 Businesses Presumed Latino-Owned in Zip Code 80216 (author's calculations from Reference USA historical business data) . 186
Table 4.32: Selected Prominent Non-profits in GES 189
Table 4.33: Selected Businesses Lacking a Contact Name in the Reference USA Historical Database for Zip Code 80216, 2012 189
Table 4.34: Summary Statistics for Durham MSA, 2002, 2007, 2012 (author's calculations from 2002, 2007, and 2012 SBO) 194
Table 4.35: Selected Characteristics of 29 Businesses Presumed Latino-Owned in Zip Codes 27703 and 27704, 2012 (author's calculations from Reference USA historical business data) 198
Table 4.36: Industry Classification of All Businesses and Identified Latino-Owned Businesses in Zip Codes 22703 and 27704, 2012 (author's calculations from Reference USA historical business data) 198
Table 4.37: Selected Businesses with No Contact Name in Reference USA Historical Business Data for Zip Codes 27703 and 27704, 2012 200
Table A.1: Industry Mix of Latino Businesses (author's calculations from 2014 ASE) 229
Table A.2: Comparing 2014 ASE to 2012 SBO Data by Industry (author's calculations) 230
Table A.3: Respondents' Citizenship Status at Birth by Ethnicity (from 2014 ASE data) 231
Table A.4: Respondents' Age (from 2014 ASE data) 231
Table A.5: Highest Education Level Reported by Owner (from 2014 ASE data) 231
Table A.6: Respondents' Classification of Importance of Various Reasons to Start Own Business (from 2014 ASE data) 232
Table A.7: Previous Self-Employment Experience Reported by 2014 ASE Respondents (author's calculations) 233
Table A.8: Number of Hours Worked Per Week on Business (from 2014 ASE Data) 234
Table A.9: How Business Was Acquired (from ASE data) 234
Table A.10: Reported Age of Business (from 2014 ASE data) 234
Table A.11: IP Holdings of Primary Business by Ethnicity of Respondents, 2014 ASE (author's calculations) 235

Table A.12: Respondents Reporting Operations Outside the United States (2014 ASE data) 235
Table A.13: Respondents Reporting English Spoken at Business (2014 ASE data) 236
Table A.14: Respondents Reporting Spanish Spoken at Business (2014 ASE data) 236
Table A.15: Respondents Reporting Family Ownership of Business (2014 ASE data) 236
Table A.16: Initial Startup Capital Amount by Ethnic Self-Identification of Owner (2014 ASE data) 236
Table A.17: Source of Startup Capital by Ethnicity of Owner (2014 ASE data) 237
Table A.18: Negative Impacts of Selected Circumstances on Business (2014 ASE data) 238
Table A.19: Attempts to Establish New Funding Relationships in 2014 and the Outcomes by Ethnicity of Owner, 2014 ASE (author's calculations) 239
Table A.20: Profitability of Business in 2014 by Ethnicity of Owner, 2014 ASE (author's calculation) 241
Table A.21: Current Operating Status of Business by Ethnic Self-Identification of Owner (2014 ASE data) 242
Table A.22: Reason Given for Ceasing Business Operations by Ethnicity of Owner, 2014 ASE (author's calculations) 242
Table A.23: Owner's Hopes for Firm in Five Years by Ethnicity of Owner, 2014 ASE (author's calculations) 243
Table A.24: Highest-Ranked MSAs in Selected Categories of 2002 and 2012 SBO data (author's calculations) 243
Table A.25: 104 Metropolitan Areas Classified by Gateway Status (reproduced from Singer, 2015) 245
Table A.26: Legislative Welcoming/Hostility Scores from Monogan (2013) and Dummy Variable Calculation 248
Table A.27: Calculating Dummy Variable for CDFI Presence in Gateway MSAs (author's calculations from 2014 5-year ACS data and Department of the Treasury data) 249
Table A.28: Data Used to Calculate Regression Comparing Gateways, Part 1 (Dependent Variable) 252
Table A.29: Raw Data Used to Calculate Gateway Regression, Part 2 (Dependent Variable and PCT_SE_NOT_LAT) 253
Table A.30: Raw Data Used to Calculate Gateway Regression, Part 3 (PCT_125POV and PCT_UNEM) 254
Table A.31: Raw Data Used to Calculate Gateway Regressions, Part 4 (PCT_PRO_IND and PCT_CONST_IND) 255
Table A.32: Raw Data Used to Calculate Gateway Regression, Part 5 (PCT_FB) 256

List of Figures

Figure 1.1: Proposed Model for Personal and Contextual Factors Influencing Latino Business Performance 10
Figure 2.1: Latino Population by County, 2016 (5-year ACS estimates) 14
Figure 2.2: Growth of Latino Population in the United States, 1960-2015 (author's graph from Census data) 21
Figure 2.3: Latino Population by County, 1990 (author's calculations from 1990 Census SF1 Data) 22
Figure 2.4: Latino Population by County, 2016 (author's calculation from 2016 5-year ACS) 22
Figure 2.5: Industry Mix by Percentage of all Latino-Owned Firms Nationally (author's calculation from 2012 SBO data) 32
Figure 2.6: Percentage of Total Revenue by Industry, Latino-Owned Firms (author's calculation from 2012 SBO data) 33
Figure 2.7: Excerpt from the 2012 Survey of Business Owners in Spanish and English (Bureau of the Census, 2012) 36
Figure 3.1: Opportunity Structure and Group Characteristic Differences (based on Waldinger, Aldrich, & Ward, 1990) 50
Figure 4.1: Distribution of Age of Non-Latino Respondents to 2014 ASE (author's calculations) 121
Figure 4.2: Distribution of Age of Latino Respondents to 2014 ASE (author's calculations) 121
Figure 4.3: Highest level of formal education reported by respondents to the 2014 ASE (author's calculations) 122
Figure 4.4: Respondents' Evaluation of Given Reasons to Become Entrepreneurs, 2014 ASE (author's calculations) 124
Figure 4.5: Results of One-Way ANOVA on Latino vs. Non-Latino Respondents' Choosing "Not Important" (author's calculations from 2014 ASE data) 125
Figure 4.6: Reported Hours per Week Worked on Primary Business by 2014 ASE Respondents (author's calculations) 126
Figure 4.7: Respondents Identifying How Business Was Acquired, 2014 ASE (author's calculations) 127
Figure 4.8: Age of Firms Owned by Non-Latino Respondents, 2014 ASE (author's calculations) 128
Figure 4.9: Age of Businesses Owned by Latino Respondents, 2014 ASE (author's calculations) 128
Figure 4.10: Reported Initial Startup Capital by Ethnicity of Owner, 2014 ASE (author's calculations) 131
Figure 4.11: Results for One-Way ANOVA for Initial Startup Capital (author's calculations) 132

Figure 4.12: Share of Population Self-Identifying as Latino vs. Percent of Latino-Owned Firms in Construction, 2012 (author's calculations from 2012 SBO and 2012 1-year ACS data) 140
Figure 4.13: Percent of Latinos Comfortable Speaking English in the MSA vs. Percentage of Latino-Owned Businesses in Construction, 2012 (author's calculations for 222 MSAs from 2012 SBO and 2012 1-year ACS data) 141
Figure 4.14: Formal Education Attainment of Local Latino Population vs. Percent of all Latino-Owned Firms in Construction, 2012 (author's calculations from 2012 SBO and 2012 1-year ACS data for 204 MSAs) 142
Figure 4.15: Share of Latino-Owned Firms in Construction, 2002, vs. Percent Change in Number of Latino-Owned Firms in the MSA, 2002-12 (author's calculations from 2002 and 2012 SBO data) 143
Figure 4.16: Map of Re-Emerging and Minor-Emerging MSAs (author's creation from Census Bureau TIGER GIS data) 149
Figure 4.17: Regression Results with Median CDFI Dummy (author's calculations) 174
Figure 4.18: Regression Results with Mean CDFI Dummy (author's calculations) 174
Figure 4.19: Results of Stepwise Regression with Median CDFI Dummy 175
Figure 4.20: Results of Stepwise Regression with Mean CDFI Dummy 175
Figure 4.21: Results of Regression Using Only ANTI_DUM, PCT_PRO_IND, and PCT_FB as Independent Variables 176
Figure 4.22: Denver MSA Latino Population, 2012 5-year ACS (author's calculations from ACS data and Census TIGERLine shapefiles) 181
Figure 4.23: Map of Neighborhoods of the City of Denver, featuring Globeville and Elyria-Swansea (author's creation from GIS data from City of Denver and Adams County) 183
Figure 4.24: Businesses in Zip Code 80216 by Industry, 2012 (brown = Latino-owned, yellow = all businesses) (author's calculations from Reference USA historical business data) 187
Figure 4.25: Businesses in Zip Code 80216, 2012 (author's creation from Reference USA historical business data and GIS data from City of Denver and Adams County) 188
Figure 4.26: Businesses and Zoning Laws Covering GES and Zip Code 80216 (author's creation from Reference USA historical business data and GIS data from City of Denver and Adams County) 192
Figure 4.27: Latino Population in the Durham MSA, 2012 (author's creation from 2012 5-year ACS data; GIS data from US Census Bureau, City of Durham, and City of Chapel Hill) 195
Figure 4.28: Selected Latino-Owned Businesses in Zip Codes 27703 and 27704, 2012 (author's creation from Reference USA historical business data and GIS data from US Census Bureau and City of Durham) 201

Summary

Since the mid-nineteenth century, immigrants to the United States have, to a larger degree than the larger population, tried their hand at starting their own businesses. While the Latinos who began entering the United States in greater numbers in the 1990s and 2000s do not self-employ as much as did immigrants from central and eastern Europe in the 1880s or immigrants from Korea in the 1970s, an estimated 1.54 million Latinos are self-employed in unincorporated businesses, while the 2012 national Survey of Business Owners counted 3.3 million Latino-owned firms, with a total of $474 million in annual sales or receipts. This entrepreneurship is all the more remarkable given that Latinos traditionally begin their businesses with lower levels of personal capital and have historically had more difficulty obtaining formal startup capital from third parties such as banks or government agencies.

It is relatively easy to summarize the problem at the national level. But what about at the metropolitan level? Are there some cities that provide a more hospitable environment for Latino entrepreneurship than others? Such a question has become more widely relevant in the last three decades, as shifts in immigrant settlement patterns has meant new immigrant growth, frequently Latino, in metropolitan areas with little or no history of significant foreign-born populations prior to 1990. While there exists a varied and detailed body of literature on immigrant entrepreneurship in the United States, much of that research was conducted on populations concentrated in urban areas. The post-1990 immigrant populations are not only more likely than their predecessors to settle in metropolitan areas outside the traditional “gateways,” but also more likely to settle in

suburban areas. Different metropolitan areas offer different spatial and political landscapes for immigrant entrepreneurship, requiring a re-examination of how immigrants become entrepreneurs and what policy measures would be most useful in helping them establish successful, sustainable businesses.

This dissertation examines the question of what metropolitan-level factors affect Latino-owned business formation and performance. It finds that Latino entrepreneurs nationwide face persistent obstacles in the form of obtaining financing for both new and existing businesses, which can be addressed at the local level. However, certain concepts currently prominent in research about ethnic entrepreneurs, such as the makeup and geographic concentration of the "ethnic enclave" and the importance of prior history of immigrant settlement in the metropolitan area, may be less applicable to Latinos who come from a broader range of countries and settle in less dense metropolitan areas.

Chapter 1 : Introduction

1.1 What Metropolitan-Level Factors Affect Latino-Owned Business Performance?

March 30, 2018, was a Saturday, but activity at the Infinite Energy Forum, a conference center in central Gwinnett County northeast of Atlanta, began early in the morning. By eight-thirty a line of women had formed. Some were in comfortable-looking T-shirts and some in suits with carefully draped scarves; some pushed strollers and some stuck close to sisters or friends as they entered; some moved briskly through the line and some hesitated as they approached. They were all attending a conference on entrepreneurship called the Latina Empowerment Conference, hosted by a prominent local nonprofit, the Latin American Association (LAA).

Having checked in, the attendees dispersed, many of them to a series of Spanish-language panels on building a business: search-engine optimization marketing, selling through Amazon, working with banks. In one conference room a pair of franchising consultants tag-teamed their way through questions from a packed audience: Could you buy a franchise if in the United States on a spousal visa? (Possibly.) Which industries would be best in which to start a business with only $10,000 in start-up capital? (Only office or building cleaning; franchises that require a physical space cost more.) Can the franchisor help with the financing? (It's unlikely, though some will help franchisees put together a business plan.)

Such a scene is neither commonplace—this was only the third Latina Empowerment Conference—nor unique. Since the mid-nineteenth century, immigrants to

the United States have, to a larger degree than the larger population, tried their hand at starting their own businesses. While the Latinos who began entering the United States in greater numbers in the 1990s and 2000s do not self-employ as much as did immigrants from central and eastern Europe in the 1880s or immigrants from Korea in the 1970s, an estimated 1.54 million Latinos are self-employed in unincorporated businesses (Bureau of Labor Statistics, 2015), while the 2012 national Survey of Business Owners, counted 3.3 million Latino-owned firms, with a total of $474 million in annual sales or receipts (United States Bureau of the Census, 2012).

Latino entrepreneurship is all the more remarkable when considering the obstacles these would-be entrepreneurs face. This is especially true of Latinos who were born outside the United States, regardless of documentation status. Not all Latinos face the same type and number of obstacles: the term "Latinos" is a catch-all that includes not only recent immigrants but their descendants, and native-born residents whose family history in the United States may go back several generations. It also covers immigrants from a number of different countries and places of origin, who vary in their home cultures, native languages, and ability to travel safely between their original residence and the United States. Nonetheless, the literature suggests that some of the difficulties to be discussed in this research are experienced by the majority of Latino potential entrepreneurs, separate from citizenship status or amount of time spent in the United States.

Especially for recent immigrants and their children, it is not merely an issue of being able to do business comfortably in English, or to follow American business

customs, although those challenges can be intimidating. But Latinos[1], on average, bring less personal capital to the new business than their non-Latino counterparts, and have fewer options in terms of obtaining startup capital from banks (or government agencies, or venture-capital firms); moreover, in many cases, their lack of formal education credentials limits the types of industry they can enter. For Latino entrepreneurs, the potential rewards are harder to gain, and the risks greater—even though they have less cushion with which to absorb those risks.

It is relatively easy to summarize the problem at the national level. But what about at the metropolitan level? Some cities are known for relatively high populations of Latino-owned businesses, such as New York City, with its long history of immigrant entrepreneurship, and Miami, which was established as a Latino business hub by Cuban immigrants beginning in the 1960s. Yet even in both New York City and Miami, the

[1] The terminology to refer to people who identify as deriving their ethnicity from Latin American countries varies between people, groups, and academic disciplines. In the last few years a movement has arisen, particularly among artistically-, sociologically-, or politically-focused organizations and communities, to replace the umbrella term "Latino" with "Latinx" in order to remove the implied gender from the word "Latino" (derived from the Spanish, in which nouns are gendered and adjectives ending in *-o* usually imply a masculine noun). This is sometimes, as in the case of the term "Latin@", meant to signify that both men and women are included in the description, but more often, in the specific case of "Latinx," meant to recognize the presence of those for whom the binary definition of male-and-female fits uncomfortably. Salinas and Lozano (2017) describe "Latinx" as "evolv[ing] as new form of liberation," and also propose that it includes the recognition of indigenous cultures within Latin America whose traditional approach to gender was not binary. But the term is not widely used, particularly in academic literature; not a single paper read for this research used it. That in itself is not an argument against using "Latinx"; languages evolve, after all. But it does make using "Latinx" in a work meant to build on previous literature tricky, particularly given that so much of the term's power comes from *self*-definition, not definition imposed by an outside researcher. Even Salinas and Lozano oppose using "Latinx" as a blanket term, instead recommending "Latina/o/x" in cases where it is impossible to know the chosen gender identities of the entire population being described. An alternative is to assume that when "Latino" passed from Spanish to English usage, it dropped its gendered quality; but that would require eliminating "Latina," which in turn can be a point of pride and self-recognition for women from Latin American countries. This paper will follow in the tradition of previous academic literature in using "Latino" as the blanket term and "Latina" only in cases where the term is clearly used to denote a group of women only.

majority of Latino-owned businesses make $50,000 or less in annual revenue (Stanford Latino Entrepreneurship Initiative (SLEI), 2017a, 2017b). Meanwhile, since 1990 many metropolitan areas with no previous history of Latino in-migration or Latino neighborhood formation have experienced both. What obstacles might Latino business owners face in those metropolitan areas that they might not in areas with a longer history of immigrant sentiment? Comparing Latino entrepreneurship in different metropolitan areas offers an opportunity to understand what particular challenges Latino entrepreneurs face, how those challenges might vary depending on geographic and spatial context, and what measures policy-makers can take to facilitate the creation and survival of Latino-owned businesses.

These questions cannot be separated from a context of rising political hostility expressed towards immigrants, which in the 1990s and 2000s found expression at the state level and in the 2010s has taken on a new force at the federal level. Anti-immigrant sentiment is not a new phenomenon in American politics: ever since the rise of Irish migration in the mid-19th century prompted the rise of the anti-immigrant, anti-Catholic Know-Nothing Party and, in some cases, anti-Irish mob violence (Klein, 2017), new migration waves have frequently been met with nativist backlashes. But the lack of novelty in current federal policies do not make them any less disturbing. Current anti-immigrant—frequently anti-Latino—rhetoric is not only needlessly damaging to individuals but ahistorical in its failure to recognize the abilities of immigrants and their descendants to contribute meaningfully to American society. Recognizing Latinos, including Latino immigrants, as entrepreneurs helps combat destructive stereotypes fueling harmful and short-sighted policies.

This dissertation uses multiple quantitative methods, at differing scales, to compare Latino-owned business performance in different U.S. metropolitan areas, particularly between 2007 and 2012. These comparisons are then used to examine the utility of previous literature on immigrant entrepreneurship when applied specifically to Latino entrepreneurship. It then presents three conclusions. First, although there is variation in Latino-owned business performance by metropolitan area, several obstacles remain of concern for Latino entrepreneurs regardless of location, particularly access to startup capital and entrepreneurship knowledge. Second, although the body of literature has highlighted how previous groups of immigrant entrepreneurs addressed such challenges through the formation of "ethnic enclaves," such a strategy is less visible among Latino entrepreneurs, due to differences in settlement patterns, the lower density and more extensive suburbanization of new immigrant destinations, and diversity in country of origin among Latino immigrants. Finally, the idea of classifying metropolitan areas as different "gateways" with different histories of accepting or being closed off from immigrant settlement, while useful for demographic and political analysis, does not explain differences in Latino entrepreneurship. Instead, policy-makers need to consider specific local variables, such as access to financing and commercial space.

1.2 Entrepreneurship, Immigration, and Planning Research

Speaking broadly, entrepreneurship falls within the set of business-development activities that a planner specializing in local, regional, or state economic development might be expected to do. In their textbook, *Planning Local Economic Development*, Leigh and Blakely (2013) argue for business development within the larger context of

community building: “Business development is intended to redress the balance between community as a social construct and business as an instrument of wealth generation for planners.” They then list six key strategies for fostering the development of new local ventures:

- develop diverse sources of capital; encourage an entrepreneurial community;
- foster networking;
- provide a supportive infrastructure;
- streamline necessary processes; and
- foster entrepreneurship education.

All of these strategies can be carried out relatively cheaply, when compared to typical incentive or tax-abatement packages intended to convince existing businesses to relocate. But more to the point, these strategies are rooted in the two inseparable goals of local business development and of local community building.

Much of the collective body of immigrant-entrepreneurship research lies outside the domain of planning. The term “entrepreneurship” appears twice in the entirety of article titles published in the *Journal of Planning Education and Research*, both of the articles being book reviews. For the *Journal of the American Planning Association* the article count is one, and for *Urban Studies*, five (all published since 2010). While research on entrepreneurship in general is more likely to come from business and management journals, much of the literature on immigrant entrepreneurship originated in sociology A great deal of this sociological research is in the form of case studies, in

which planners rarely appear. An unflattering exception is in Tseng (1995), where the local government is portrayed as xenophobically opposed to the growth of "Little Taipei." Lung-Amam's ethnographic study of Asian-Americans in Silicon Valley (2015, 2017)goes into more detail about how arguments about identity and inclusion play out in zoning and economic development decisions, which still gives the impression of immigrants having to work against, rather than with, planners.

More recently there has been a push to expand analysis of immigrant entrepreneurship, including geographical variables. But planning literature has only recently begun how to address issues pertaining specifically to immigrant communities, including local economic development (Kim, Levin, & Botchwey, 2017).

Moreover, the relationships between planners and immigrant communities have historically suffered from a lack of clarity: what is the planner's role in particular? Kim et al. (2017), in their review that focuses specifically on the needs of undocumented or unauthorized immigrants, cite Vitiello (2009) in pointing out that new-migrant outreach in the United States has historically been in the hands of social workers and non-governmental organizations, not planners. "As the US planning field excitingly renews historic yet underappreciated links to professional traditions such as public health," Kim et al. argue, "it needs to invest, as well, in understanding the role of planners within communities' social infrastructure, and our relationship to professions such as social work and community organizing." One way this can be done to help immigrants (regardless of documentation status) and local immigrant communities, they go on to suggest, is to support small business entrepreneurship.

This dissertation contributes to current theory about immigrant entrepreneurship and economic development by extending comparative research in an area dominated by singular case studies, and by focusing on both a scale (the metropolitan area) and a subject (Latinos) that have historically received less attention in the literature. In doing so, it makes a case for both the need for, and the ability of, planners and economic development professionals to help Latino-owned businesses in specific ways, namely in understanding the obstacles posed by the local environment and using available tools, including alliances with nonprofits, to help Latino-owned businesses overcome those obstacles. One of the great virtues of planning as a discipline is the steadfast collective belief of its scholars that building theory is inseparable from building a more successful and more humane practice. Economic development planners can—and, more to the point, should—build a more successful and more humane practice by learning about and seeking to extend the potential benefits, or mitigating the potential risks, of local Latino entrepreneurship. But how? That is the driving question of this work.

1.3 A Potential Model for Understanding Latino Entrepreneurship

The decision to start a business is often not taken lightly. The nascent entrepreneurs interviewed for the Panel Survey of Entrepreneurship Data (PSED) in the mid-2000s reported it took, on average, two years to start a business, and 1,200 to 1,600 total hours of work (Reynolds & Curtain, 2008). The aspiring entrepreneur will spend some time well before opening day considering factors ranging from "Who is my audience?" to "Where will I put my shop?" to "How much money do I have to spend to get started?" The answers to these questions are likely to lie in the immediate surrounding

environment. Three-fifths of respondents to the PSED planned to serve a customer base within twenty miles of the firm's location (Reynolds & Curtain, 2008).

Broadly speaking, the factors that an entrepreneur might consider can be divided into two categories: "personal" and "contextual". Personal factors would be unique to the entrepreneur: ethnic and national backgrounds; native tongue and other languages spoken; level of formal education; amount of personal capital. Contextual factors, meanwhile, would describe the surrounding area: industry mix; status of the local economy; size of the local population; infrastructure networks, such as transport or high-speed Internet access; and availability of capital. Latinos in the United States might be taking into account contextual factors such as size of the local Latino population, the presence of lenders who might be more likely to fund Latinos, and the general political treatment of the Latino population—as in, Latino-owned business activity might be more likely in metropolitan areas that explicitly encourage immigrant entrepreneurship, including Latino entrepreneurship, and less likely in those whose legislatures have been busy passing more restrictive measures targeted at immigrants. (Such efforts can exist, as will become clear, at multiple scales: it is not uncommon to have a city adopt a legal and political stance towards immigrants that stands very much at odds with that adopted with the surrounding county or state.)

With that in mind, Figure 1.1, below, suggests a model for factors influencing the formation of Latino-owned businesses.

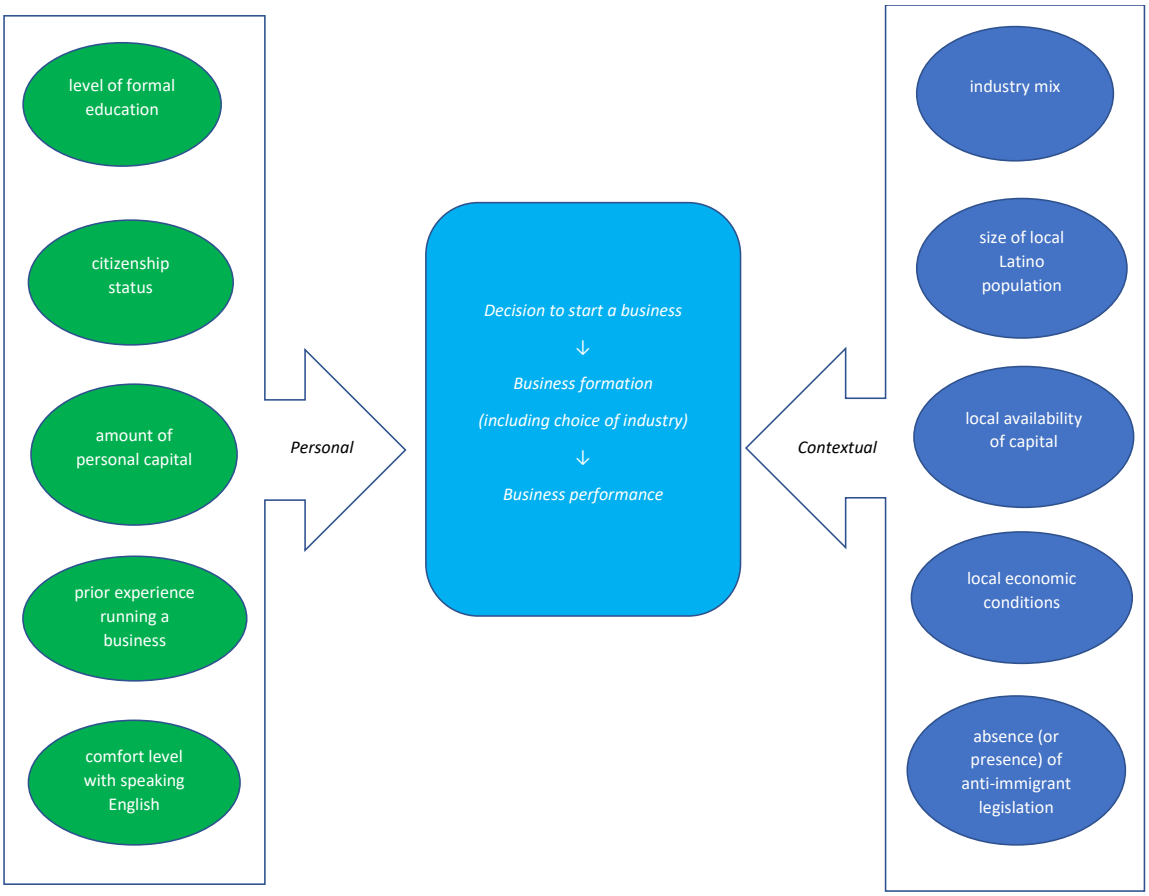


Figure 1.1: Proposed Model for Personal and Contextual Factors Influencing Latino Business Performance

The analysis that follows will explore how both personal and contextual factors might vary between metropolitan areas, and what those variations might imply for business formation and performance. But economic development planners, both in governmental and non-governmental positions, should assume they will have much less control over the personal than the contextual factors. The two categories are not as neatly separable as the diagram implies; entrepreneurs with greater personal capital, for example, may be less dependent on local capital availability, while non-citizens may feel more vulnerable in metropolitan areas with greater and harsher anti-immigrant legislation. Finally, which personal and which contextual factors most influence the decision of any one aspiring entrepreneur will vary depending on the entrepreneur and

the location. The model is not meant to imply rank among the factors, simply to propose that these factors are most likely to be taken into consideration.

1.4 Structure of the Dissertation

The argument will proceed over the following four chapters. The second chapter describes the spatial, social, demographic, and economic ground for understanding Latino entrepreneurship as currently practiced in the United States. While historically Latino immigrant settlement concentrated in a few well-known urban areas, since 1990 the group of destination metropolitan areas has diversified, with cities with little history of previous immigrant settlement from any group seeing their Latino populations grow rapidly. This chapter also introduces the concept of "gateways" first proposed by Singer (2004, 2013, 2015; Singer, Hardwick, & Brettell, 2009; J. H. Wilson & Singer, 2011), a way of differentiating between metropolitan areas based on their historical and more recent history of being chosen by immigrants. Finally, it introduces the issue of variance of anti-immigrant sentiment, expressed through legislation and other political measures taken at the local and state level.

The third chapter is a review of the literature on immigrant entrepreneurship in the United States, including Latino entrepreneurship. This includes literature dating back to the 1970s on immigrants' motivation to start businesses, their target audiences, and their business strategies. A great deal of the literature has focused on the formation of "ethnic enclaves," a spatially concentrated group, linked by ethnic or ethnolinguistic background, in which multiple entrepreneurs found businesses in related industries. Ethnic enclaves have also historically produced ethnic banks, a valuable resource for

immigrant entrepreneurs, who frequently are unable to access capital to the same degree as native-born (particularly white native-born) entrepreneurs. The review also surveys more recent literature that to includes geographic analysis, in part out of recognition that immigrant settlement patterns have not only shifted between metropolitan areas but within them: chiefly, branching out from urban to suburban neighborhoods. Finally, the review considers the literature to date specifically on Latino entrepreneurs, to understand how they as a group might differ from non-Latino immigrant entrepreneurs.

The fourth chapter contains three sets of analyses, focusing on the question of variances in Latino-owned business formation and business performance by metropolitan area. The first set takes place at the national level, using data from the 2014 Annual Survey of Entrepreneurs to paint a more detailed picture of Latino entrepreneurship. To compare metropolitan areas, a pair of analyses follows, using data from the 2002, 2007, and 2012 Survey of Business Owners, as well as selected data from the American Community Survey. Separate data is used to create dummy variables for the questions of credit available to Latino entrepreneurs, in the form of federally-backed Community Development Financial Institutions (CDFIs) serving Latinos, and of the presence of local anti-immigrant legislation. This data is tested in two ways, first a direct comparison of two groups of "gateway" metropolitan areas and second as a linear regression of 57 different metropolitan areas with significant foreign-born populations. Finally, a third analysis, more qualitative and descriptive in nature, compares neighborhoods in two specific metropolitan areas (Denver, Colorado, and Durham, North Carolina) to assess where Latino-owned businesses locate at the street level, and what these business patterns might imply about the opportunities available to, and challenges faced by, Latino

entrepreneurs living in those particular metropolitan areas. Denver and Durham were chosen because, although of the two metropolitan areas seem to represent a type—a "re-emerging" gateway with a larger, more settled, and more integrated Latino population, and a smaller city who has only seen growth in immigrant population since 1990, with resultant local tensions—a closer examination shows that the gateway classification fails to predict the factors influencing Latino entrepreneurship in both MSAs.

The fifth and final chapter presents the conclusions to the research. It will discuss the limitations of the research, and suggest paths for future research, including a discussion of which methodologies are best suited for studying Latino entrepreneurship, given the patterns of data collection at the national level and the possible vulnerabilities of the study populations. It will also discuss how economic development and planning practitioners, in both governmental and non-governmental organizations, can use these findings to examine their particular locality and address challenges facing Latino businesses and their owners therein.

Chapter 2 : Recent Trends in Latino Settlement and Business Creation

2.1 Introduction: The Latino Population of the United States

According to the Census Bureau's most recent estimates in the 5-year 2016 American Community Survey (ACS), there are presently 55 million people of Hispanic or Latino descent living in the United States, making up 17.3% of the nation's total population. There are 51.5 million Latinos, or 93.2% of all Latinos, living in one of the 381 metropolitan areas as defined by the Census Bureau. As can be seen in Figure 2.1, below, the Latino population tends to cluster along the east and west coasts, with significant concentrations in southern Florida, southern California and southwest Arizona, and the area around New York City.

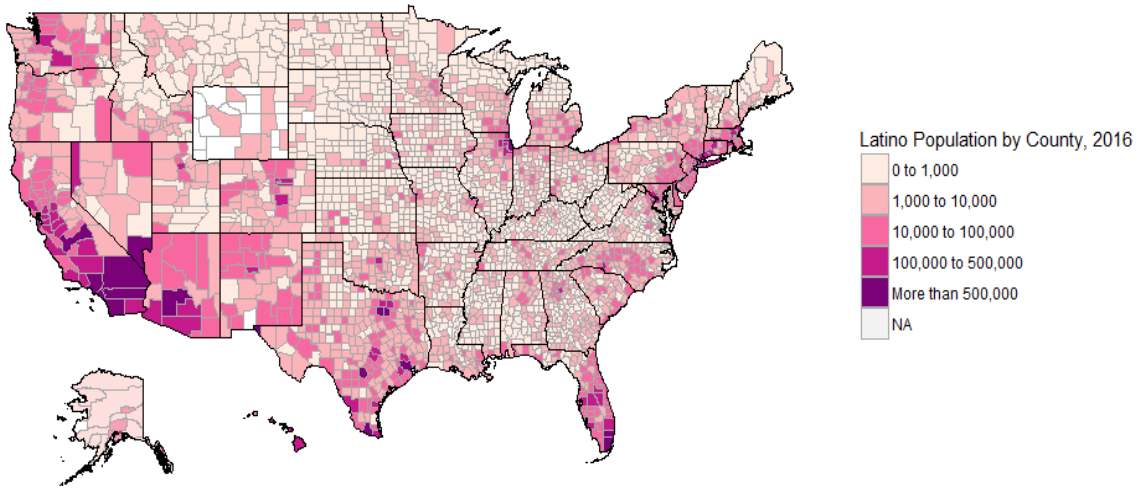


Figure 2.1: Latino Population by County, 2016 (5-year ACS estimates)

Table 2.1 shows the ten metropolitan areas (outside of Puerto Rico) with the largest Latino populations.[2] Together, these ten metropolitan areas combine to host nearly half (46.3%) of the Latino population in the United States.

Table 2.1: Ten Largest Metropolitan Latino Populations in Continental United States (2016 5-year ACS estimates)

Metropolitan Area	**Latino Population (2016)**
Los Angeles-Long Beach-Anaheim, CA	5,932,201
New York-Newark-Jersey City, NY-NJ-PA	4,770,203
Miami-Fort Lauderdale-West Palm Beach, FL	2,573,322
Houston-The Woodlands-Sugar Land, TX	2,354,515
Riverside-San Bernardino-Ontario, CA	2,192,072
Chicago-Naperville-Elgin, IL-IN-WI	2,057,681
Dallas-Fort Worth-Arlington, TX	1,959,073
Phoenix-Mesa-Scottsdale, AZ	1,354,364
San Antonio-New Braunfels, TX	1,277,308
San Diego-Carlsbad, CA	1,076,319

Thus, in the aggregate, the Latino population is largely urban. But simply observing that most Latinos live in larger metropolitan areas fails to address the differences between Latino populations in the individual cities, and what those differences imply for policy-makers. This chapter will first give an overview of the geographic settlement of Latinos within the United States, including changes since 1990 and the implications of those changes for policy decisions within different metropolitan

[2] The San Juan-Carolina-Caguas metropolitan area had a Latino population of 2.2 million as of 2016, which would put it fifth on the above list.

areas. It will then give some information on the current state of Latino entrepreneurship: which Latinos are entrepreneurs; what industries they enter; how much capital they start their business with; and what language they use in conducting their business. Finally, it will consider how recent changes in federal immigration enforcement, and state and local cooperation therewith, might affect Latino settlement patterns in the near future.

2.2 Who Is Latino?

It is worth spending some time defining "Latino." The United States Census now uses "Hispanic or Latino" on its forms, to cover a range of possibilities. A person who self-identifies as "Hispanic or Latino" may not have been born outside the United States (and, indeed, 65% of Latinos in 2016 reported having been born within the United States[3]); may not have come from a Latin American county (since the category includes family origin in Spain)[4]; and may not speak Spanish as a first or native language (since many Latin American countries remain hosts to a variety of indigenous languages). Generally speaking, though, the term "Latino" tends to apply to those people who can claim family origins in Central and South American countries covered by the Monroe Doctrine (Hayes-Bautista & Chapa, 1987). The overarching term "Latino" is not universally used in academia; in their historical population survey, Gratton and Gutmann (2000) argue for the use of the term "Hispanic", on the grounds that all groups covered originate in countries influenced by Spanish political and legal expansion. But since very

[3] According to the 2016 5-year ACS estimates 19.2 million Latinos, of a total of 55.2 million, were born outside the United States (United States Bureau of the Census, 2016).

[4] The category does *not*, however, officially include family origin in Brazil, although Brazilian-Americans may choose to self-identify as Latino. For more on this, searun me Marrow (2003).

little research to date has focused on immigrants from Spain, it makes sense to consider the population being discussed here as having originated primarily in Latin America, hence "Latinos."

Unfortunately, the very act of talking about "Latinos" as a group carries with it the built-in threat of erasure and oversimplification:

> By 1850, there were four distinctly different Latino groups, by nationality, in California: the Californios (originally born in Mexican territory, but by then putatively citizens of the US), Mexicans (largely miners from the northern Mexican state of Sonora who had immigrated after 1848), Peruvians, and Chileans (both also from the mining centers there). These Latin Americans of different nationality groups saw themselves as quite distinct from each other. However, mining society tended to see them all as one race or people, generally lumping them all together under the term "greaser". For policy purposes they were treated as one group. One of the first pieces of legislation passed by the state was a Foreign Miners tax, aimed at excluding Latin American miners (the "foreigners") from claiming rights in the gold fields. The native born Californios were considered to be foreigners for this purpose, in spite of being legally citizens.
>
> Irrespective of the intra-Latino differences seen by the Latinos themselves, in the eyes of the every-day "North American" inhabitant of California, and in the eyes of some early laws, all Latinos were seen to be identical, and were dealt with as one "race". (Hayes-Bautista & Chapa, 1987)

Thus planners, expected as they are to pay particular attention to the unique circumstances of their locality, need to take into account variations within Latino population by country of origin. Table 2.2, below, repeats the top ten metropolitan areas by number of Latino residents, but then adds the top ten metropolitan areas by percent of the population identifying as Latino and top ten metropolitan areas by largest place-of-origin sub-category.

Table 2.2: Top Ten Metropolitan Areas by Population for Selected Sub-Categories of "Latino" (2016 5-year ACS estimates)

Rank	Total Latino Population	Pop. Identifying as Mexican	Pop. Identifying as Puerto Rican	Pop. Identifying as Cuban	Pop. Identifying as Dominican	Pop. Identifying as Central American	Pop. Identifying as South American	Pop. Identifying as "Other" Hispanic or Latino
1	Los Angeles	Los Angeles	New York	Miami	Los Angeles	Los Angeles	New York	New York
2	New York	Riverside, CA	Orlando	New York	Boston	New York	Miami	Albuquerque
3	Miami	Houston	Philadelphia	Tampa-St. Petersburg	Miami	Washington, D.C.	Los Angeles	Los Angeles
4	Houston	Dallas-Fort Worth	Miami	Los Angeles	Providence	Miami	Washington, D.C.	Houston
5	Riverside, CA	Chicago	Chicago	Orlando	Orlando	Houston	Orlando	Denver
6	Chicago	Phoenix	Tampa-St. Petersburg	Houston	Philadelphia	San Francisco	Houston	San Antonio
7	Dallas-Fort Worth	San Antonio	Boston	Cape Coral-Fort Myers, FL	Washington, D.C.	Dallas-Fort Worth	Chicago	Miami
8	Phoenix	San Diego	Hartford, CT	Chicago	Tampa-St. Petersburg	Riverside, CA	Tampa-St. Petersburg	Riverside, CA
9	San Antonio	McAllen, TX	Springfield, MA	Las Vegas	Allentown, PA	Boston	Atlanta	Dallas-Fort Worth
10	San Diego	San Francisco	New Haven, CT	Atlanta	Atlanta	Atlanta	Boston	San Francisco

To some degree Table 2.2 is a reflection of concentrated Latino populations in certain metropolitan areas: New York City is host to the nation's largest populations of Puerto Ricans and Dominicans and its second-largest populations of Central Americans and Cubans. Geography also plays a part in determining population concentration: the largest Cuban population, unsurprisingly, is in Miami, and four of the ten largest Mexican populations are in metropolitan areas in Texas. But this table also serves to reveal which metropolitan areas have relatively diverse Latino populations: Atlanta, Boston, and Orlando each appear in four different categories. Within the larger Latino population—population*s*, more accurately—of those metropolitan areas, we can expect a different dynamic than that of Miami, or of Los Angeles, Riverside, or Dallas, all of which have been shaped by a predominantly Mexican-origin Latino in-migration. This implies that the "Latino" population, both of the United States as a whole and of individual metropolitan areas, is not necessarily unified or networked. Both differences within Latino populations and between Latino populations should be kept in mind, especially

given how much of immigrant-entrepreneurship research to date stresses the utility of in-group ties to entrepreneurs.

One facet of Latino in-migration not identifiable through Census data alone would be geographic or ethnic differences within a particular country-of-origin population. These differences, too, influence community formation in the United States; see, for example, the discussion in Oberle and Arreola (2008) of how in-migration from the northwestern Mexican states of Sonora, Chihuahua, and Sinaloa has shaped the Mexican-American communities in Phoenix. Similarly, from Census data it is difficult to grasp how the experiences of indigenous Mexican or Central American immigrants might be different from that of Hispanic-origin Mexican or Central American immigrants. These differences, obscured as they are by official American data collection, could have significant policy implications: imagine a local government or public-health agency trying to reach its "Latino" population by distributing information in Spanish, only to gain little interest from that portion of the population speaking Q'eqchi'[5] at home. Again, the overarching term "Latino" oversimplifies, and hides information about the population it covers even as it makes that population more visible. Even as it makes sense to speak more broadly about the Latino population, it is also necessary to perpetually keep in mind that differences in ethnic, geographic, national, and linguistic identity will surface at the local level, and thus will impact how a particular Latino community will differ from the average.

[5] A Mayan language spoken in parts of Guatemala, Belize, and El Salvador.

2.3 Shifts in Latino Settlement Since 1990 and the Creation of "Gateways"

Twentieth-century Latino immigration was strongly influenced by two federal laws, the Immigration Act of 1924 and the Immigration and Nationality Act (INA) of 1952. The former imposed quotas on in-migration from southern Europe, eastern Europe, and Asia, but not on migration from Central and South America, including Mexico and the Dominican Republic (Tienda & Sánchez, 2013). The latter prioritized family reunification, giving an advantage to those transnational families who had been able to establish a member in the United States post-1924 (Tienda & Sánchez, 2013). A willingness to grant asylum to Cuban refugees and the *bracero* program, which allowed American farms to hire Mexican workers from 1942 to 1964 (and occasionally included quick legalization of said workers) (Calavita, 2010), also gave Latinos opportunities to settle in the United States, even if neither official government policy nor the larger American society was particularly welcoming.

Political and economic instability and natural disasters in multiple Latin American countries (Guatemala, Honduras, Ecuador, the Dominican Republic, El Salvador, Argentina, Mexico) also contributed to the rapid growth of the Latino population in just fifty years (Tienda & Sánchez, 2013). Figure 2.2, below, shows the growth of the Latino population in the United States, from 14.6 million in 1990 to 56.6 million in 2015.[6]

[6] Borjas, Freeman, and Lang (1991) have argued that the 1980 Census, by not counting undocumented Mexican in-migrants, undercounted the total Mexican population by 25%. Van Hook and Bean (1998) suggest that, similarly, the 1990 Census undercounted the total Mexican in-migrant population by 20%.

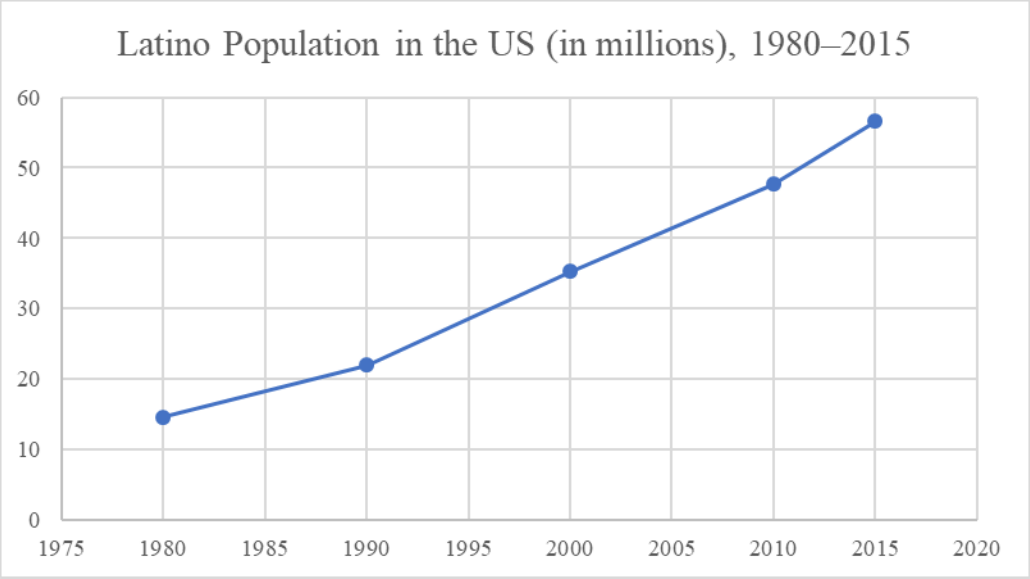


Figure 2.2: Growth of Latino Population in the United States, 1960-2015 (author's graph from Census data)

Tienda and Sánchez (2013) argue that official Census numbers may overstate the Latino population, since it conflates temporary entrants, those granted legal permanent residency, and applicants for refugee status. Even with that caveat, the growth of the Latino population has meant significant demographic shifts, especially for a group of metropolitan areas which, prior to 1990, had little history in hosting larger Latino or foreign-born populations.

Figures 2.3 and 2.4, below, show the geographic distribution of the Latino population (outside of Puerto Rico) in 1990 and 2016. From comparing the two one can see both the growth of the Latino population as a whole and the changes in the spread of the population, especially to Oklahoma and Arkansas in the Midwest, North Carolina, South Carolina, Georgia, and Tennessee in the southeast, and Nevada and Colorado in the west.

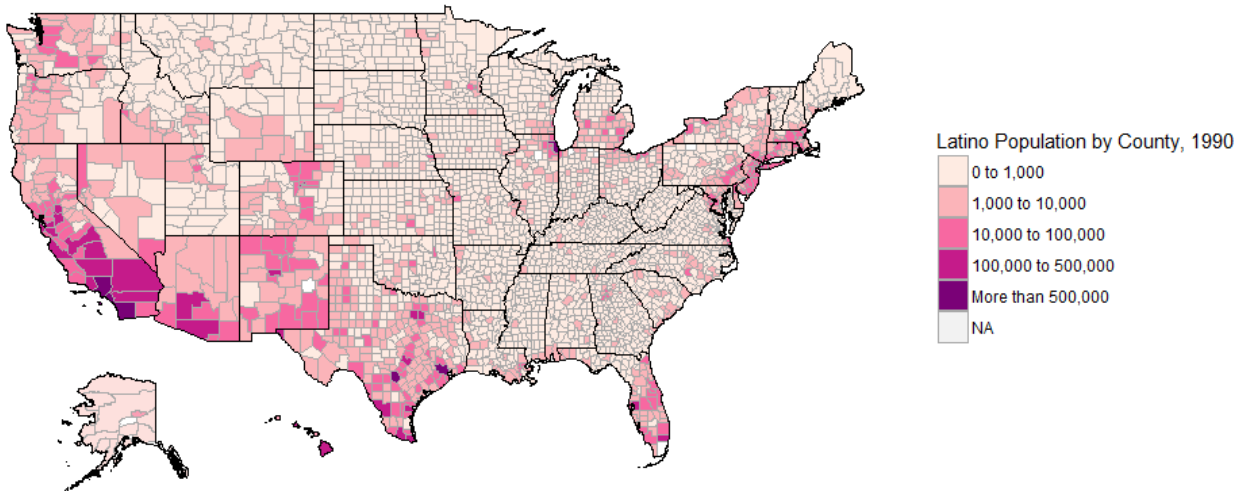


Figure 2.3: Latino Population by County, 1990 (author's calculations from 1990 Census SF1 Data)

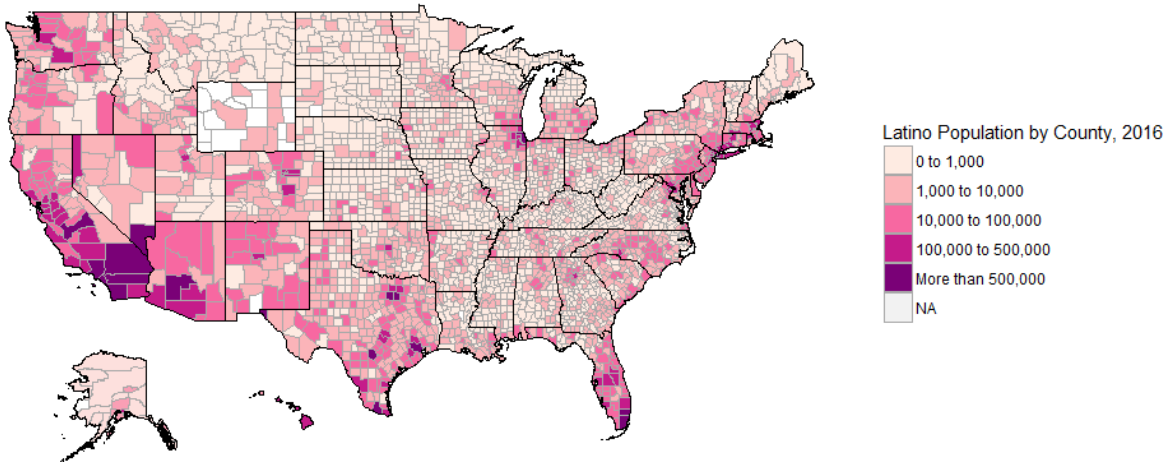


Figure 2.4: Latino Population by County, 2016 (author's calculation from 2016 5-year ACS)

How did places such as North Carolina and Washington state emerge as new destinations for Latino migrants? Light and Johnston (2009) first suggested that new Latino residents were attracted to fast-growing metropolitan areas, especially in the southeast, for much the same reason as their non-Latino counterparts: namely, employment opportunities and less expensive housing. A follow-up paper (Johnston, Karageorgis, & Light, 2013) put forward the idea that metropolitan areas with a longer

history of Latino settlement, such as Los Angeles and New York, were "staging grounds" from which Latino migrants would leave for secondary destinations, depending on information gained from their social networks.[7] Building upon this work, and upon the idea of "cumulative causation" of migration advanced largely by Massey (1990), Bachmeier (2013) found that "[i]nterdestination variation in the rate of Mexican immigration between 1995 and 2000 is largely a function of the immigration rate observed a decade earlier," although the effect is dependent upon the maturity of local ethnic-specific support structures. It thus make sense to hypothesize that migration flows will change over time as potential migrants receive feedback from residents in a wider variety of potential destinations. Analysis of Mexican in-migration in the 1990s by Card and Lewis (2007) supports that hypothesis: their model, which included both supply and demand factors, found that much of the decreased in-migration to Los Angeles could be attributed to the metropolitan area's slow employment growth during that decade. In addition, there was a correlation, albeit weak, between in-migration destination choices and higher wages in the metropolitan area for Mexicans in 1990 (Card & Lewis, 2007).

It should also be noted that, while Latino immigration has historically been associated with cities, the new destinations are more likely to see increased Latino populations in *sub*urban sections of the metropolitan area. This is not a trend unique to Latinos: increased suburbanization has been a trend among immigrants more generally since the 1970s (Kataure & Walton-Roberts, 2015; Murdie & Skop, 2012). But the reasons for choosing suburban over urban locations vary by immigrant group.

[7] One problem with this hypothesis, which the authors acknowledge, is their failure in their analysis to find a relationship between time spent in the United States and increased likelihood of internal migration.

Historically immigrant suburbanization has been theorized to arise from "spatial assimilation": newly arrived immigrants begin by finding cheaper, lower-quality housing in the central city and then move out to the suburbs as they gain wealth (Murdie & Skop, 2012). But immigrants with greater socioeconomic resources have been able to settle directly in suburban areas, in some cases creating new "ethnoburbs" (Kataure & Walton-Roberts, 2015; Li, 1998; Li & Skop, 2007).

In the case of suburbanization of Latino immigrant populations, the spatial form of the destination metropolitan areas plays a part, as Houston, Las Vegas, Atlanta, and Charlotte lack the denser residential areas of a New York or a Boston. The relative affordability of suburban housing, especially rental housing, seems to have played a part in driving Latino in-migration. In their study of the suburbanization of poverty between 1980 and 2010, Howell and Timberlake (2014) found a stronger relationship between the suburbanization of black and Latino poor and the availability of affordable housing, as opposed to the suburbanization of white and Asian poor, which was more likely to be correlated with increased suburban employment opportunities. Smith and Fusereth's case study of Latino in-migration into two particular Charlotte neighborhoods (2004) similarly emphasized the availability of affordable housing, particularly rental housing. Thus, the shift from urban to suburban settlement is worth taking into account when comparing traditional and new in-migration destinations.

A typology for such comparisons has been proposed in a series of publications from the Brookings Institute (Singer, 2004, 2013; Singer et al., 2009; J. H. Wilson & Singer, 2011) which divided receiving metropolitan areas into seven different "gateways." The gateway classification is rooted not simply in how large a metropolitan

area's foreign-born population is, but its history in providing a home for new immigrants. Thus, a distinction can be made between "quintessential" gateways with a long history of immigrant settlement, and "emerging" gateways who only recently began to see increased immigrant populations. Table 2.3 shows a selection of metropolitan areas by their gateway classification as discussed in Singer (2013).

Table 2.3: Gateway Classification of Selected Metropolitan Areas from Singer (2013)

Type of Gateway	**Description**	**Example Metropolitan Areas**
Quintessential gateway	Long history of immigrant settlement extending back to, or even before, the beginning of the 20th century; often associated with immigrant settlement in popular culture and literature.	New York City Boston San Francisco Chicago
Former gateways	These metropolitan areas played host to larger immigrant communities at the beginning of the 20th century but attracted less in-migration as migration and industry patterns changed.	Cleveland Milwaukee St. Louis
Post-World War II gateways	Became known for supporting immigrant communities between the mid-1940s and the mid-1980s.	Los Angeles Miami Houston Washington, D.C.
Emerging gateways	Metropolitan areas with little previous gateway history which have seen the largest jumps in immigrant settlement since the mid-1980s.	Atlanta Las Vegas Phoenix
Re-emerging gateways	Former gateway metropolitan areas which have more recently seen increases in immigrant population.	Seattle Minneapolis-St. Paul Baltimore
Pre-emerging gateways	Smaller metropolitan areas which have seen large recent increases in the percentage of their population born outside the United States.	Nashville Charlotte Columbus (OH)
Minor continuous gateways	Smaller metropolitan areas with a longer history of supporting immigrant communities.	Hartford (CT) Fresno McAllen (TX)

This classification helps highlight both similarities and differences between metropolitan gateways. Table 2.4, below, shows that all save one of the 23 gateways

highlighted in Table 2.3 gained overall population between 1990[8] and 2016 (Cleveland being the one exception). All but one (San Francisco) also saw gains in foreign-born population, and all saw gains in Latino population. However, the size and impact of those gains vary widely.

[8] 1990 data courtesy of the National Historical Geographic Information System (Manson, Schroeder, Van Riper, & Ruggles, 2017).

Table 2.4: Growth in Total, Foreign-Born, and Latino Populations, 1990-2016, For Selected Metropolitan Areas (author's calculations from 1990 Census SF1 data and 2016 5-year ACS data)

Metropolitan Area	Type of Gateway	Population, 2016	Percent change in population, 1990–2016	Foreign-born population, 2016	Percent foreign-born, 2016	Change in percent foreign-born, 1990–2016	Latino population, 2016	Percent Latino, 2016	Change in Latino population (absolute), 1990–2016	Change in Latino population (percentage), 1990–2016	Change in percent Latino, 1990–2016
Boston	quintessential	4,728,844	14.4%	835,760	17.7%	70.9%	485,208	10.3%	295,324	155.5%	123.4%
Chicago		9,528,396	16.5%	1,682,220	17.7%	58.1%	2,057,681	21.6%	1,161,436	129.6%	97.1%
New York		20,031,443	15.0%	5,749,079	28.7%	44.3%	4,770,203	23.8%	2,055,668	75.7%	52.8%
San Francisco		3,671,095	-0.4%	641,151	17.5%	-17.3%	999,892	27.2%	493,531	97.5%	98.3%
Cleveland	former	2,061,630	-1.9%	116,355	5.6%	20.6%	109,928	5.3%	49,117	80.8%	84.3%
Milwaukee		1,571,730	9.7%	111,384	7.1%	87.8%	160,677	10.2%	109,371	213.2%	185.4%
St. Louis		2,803,449	9.5%	125,686	4.5%	131.8%	80,047	2.9%	53,386	200.2%	174.2%
Houston	post-WWII	6,482,592	72.8%	1,485,232	22.9%	86.3%	2,354,515	36.3%	1,578,952	203.6%	75.7%
Los Angeles		13,189,366	17.0%	4,425,780	33.6%	9.0%	5,932,201	45.0%	2,016,131	51.5%	29.5%
Miami		5,926,955	46.1%	2,334,395	39.4%	35.6%	2,572,322	43.4%	1,443,863	127.9%	56.0%
Washington, D.C.		6,011,752	44.6%	1,340,598	22.3%	89.6%	687,439	11.4%	459,728	201.9%	108.8%
Atlanta	emerging	5,612,777	82.1%	753,516	13.4%	252.6%	584,778	10.4%	525,861	892.5%	445.1%
Las Vegas		2,070,153	179.2%	455,832	22.0%	132.1%	628,456	30.4%	545,552	658.1%	171.5%
Phoenix		4,486,153	100.4%	641,471	14.3%	97.8%	1,354,364	30.2%	974,804	256.8%	78.0%
Baltimore	re-emerging	2,780,873	16.7%	275,704	9.9%	169.4%	146,356	5.3%	116,196	385.3%	315.7%
Minneapolis-St. Paul		3,488,436	34.4%	349,066	10.0%	193.5%	195,659	5.6%	157,419	411.7%	280.6%
Seattle		4,577,530	78.9%	1,384,161	30.2%	283.1%	351,069	7.7%	275,514	364.7%	159.8%
Charlotte	pre-emerging	2,381,152	77.5%	229,711	9.6%	408.1%	229,320	9.6%	217,685	1870.9%	1010.6%
Columbus		1,995,004	36.4%	144,820	7.3%	190.8%	76,429	3.8%	64,800	557.2%	381.7%
Nashville		1,794,570	223.6%	136,408	7.6%	128.0%	54,875	3.1%	51,616	1583.8%	420.4%
Fresno	minor continuous	963,160	44.3%	205,766	21.4%	19.7%	501,136	52.0%	264,502	111.8%	46.8%
Hartford		1,211,826	7.8%	157,306	13.0%	47.2%	168,260	13.9%	91,588	119.5%	103.5%
McAllen		828,334	116.0%	230,966	27.9%	12.9%	757,725	91.5%	430,753	131.7%	7.3%

Even as new gateways emerged and the proportion of new in-migrants settling in the largest gateways decreased, the sheer number of Latino in-migrants meant that those largest gateways continued to see population gains. Between 1990 and 2016, Los Angeles's Latino population increased by half, New York's by three-quarters. Between them those two metropolitan areas hosted 10.7 million Latinos in 2016. Latinos also continued to move to McAllen, where even prior to 1990 they had made up 85% of the population, and Fresno, whose population in 1990 was 35% Latino; indeed, during the 1990–2016 period Fresno saw its Latino population increase by more than 100%. But an influx of Latinos to New York or Los Angeles, or to Fresno or McAllen, represents a different kind of policy challenge than that of the in-migration experienced by Charlotte, whose Latino population rose by 1,871% between 1990 and 2016, or Nashville (1,584%), Atlanta (893%), Las Vegas (658%), or Columbus (553%). The former group of gateways hosted increases to a population already previously present; the latter saw growth in the Latino population unprecedented in those metropolitan areas' respective histories. It stands to reason that the existing local governments and policy-makers in the pre-emerging and emerging gateways would not have the same policy tools at hand, or the same relationships with the Latino communities within the metropolitan areas, as gateways with longer histories with a sizeable Latino presence.

The second point to make from Table 2.4 is the distinction between Latino and foreign-born populations. Some gateways, particularly Charlotte, Atlanta, and Nashville, saw their share of foreign-born and Latino residents rise in tandem. But this is not the case for all the gateways featured here. San Francisco's Latino population nearly doubled, but the foreign-born population actually lost share, suggesting that few of the

Latino in-migrants were born outside the United States. Similarly, Miami's Latino population rose by over 120%, but its foreign-born population rose by only 35.6%; Cleveland gained nearly 50,000 Latinos but only about 20,000 foreign-born residents between 1990 and 2016. As with distinguishing between Puerto Rican and other Latinos, it is necessary to distinguish between U.S.-born and foreign-born Latinos when discussing the best policies to serve the communities' needs. This would prove true in particular for the community of aspiring entrepreneurs: U.S.-born Latinos are, as a group, more likely to be more comfortable with speaking English and with the American legal, tax, and banking systems. The challenges faced by a U.S.-born Latino looking to open a business might be more similar to those faced by a black entrepreneur than to a Latino recently emigrated from another country.

Thus, using the gateways typology allows us to further understand the kinds of questions that need to be asked when formulating policies to support Latino entrepreneurs. Such as: what trends are affecting the Latino population, and how do they differ from previous metropolitan history? What employment, or self-employment, choices do they make, and how does that affect the resources they need? Thus, the next section examines overall Latino business patterns.

2.4 An Overview of Latino-Owned Business Activity

Although Latino business creation has historically been under-emphasized in minority entrepreneurship research (to be discussed further in the next chapter), Latinos owned 12 percent of all U.S. firms in 2012, and Latino business creation rate has been double or triple that of the national average for the last fifteen years (Rivers, Porras,

Rodriguez Ott, Pompa, & Chapa, 2017). The 2012 SBO counted 3.3 million Latino-owned firms with a total of $474 million in annual sales or receipts (United States Bureau of the Census, 2012). That said, Latino businesses are not, on average, as large or well-funded as those owned by their non-Latino counterparts. It is worth examining Latino-owned businesses in greater detail to better understand the challenges facing both Latino entrepreneurs and the communities that might benefit from their success.

In the 2015 5-year ACS, 4.3% of Latino respondents reported themselves as "self-employed." "Self-employed" includes both incorporated and unincorporated businesses. According to a separate Bureau of Labor Statistics (2015) estimate, 1.54 million Latinos age 16 or older are self-employed in unincorporated businesses. Table 2.5, below, breaks down reported self-employment further: the percentage of Latinos as a whole who report being self-employed is less than that of non-Latinos, though Latinos of Cuban descent and that group of Latinos not from Mexico, Puerto Rico, or Cuba both self-employ at similar levels to non-Latinos.

Table 2.5: Self-Employment by Ethnic Self-Classification of Worker, 2011–15 ACS data (cross-tabulated by IPUMS)

Ethnic Classification of Worker	**Status of Work**					
	Not available	**Self-employed**	**Percent self-employed**	**Wage work**	**Percent reporting wage work**	**Total**
Not Hispanic or Latino	106,225,685	15,203,307	5.80%	140,858,745	53.70%	262,287,737
Hispanic or Latino:						
Mexican	17,176,798	1,330,859	3.84%	16,191,816	46.66%	34,699,473
Puerto Rican	2,564,659	129,192	2.51%	2,462,528	47.76%	5,156,379
Cuban	884,302	134,788	6.71%	989,534	49.26%	2,008,624
Other	5,230,479	738,024	5.97%	6,394,308	51.72%	12,362,811

The industry mix for Latino-owned firms differs from the national average. Table 2.6 shows Latino and non-Latino firms as classified by industry (by two-digit NAICS codes) and the percentage of total Latino or non-Latino firms and revenue in each

industry. Latino firms are relatively over-represented in construction, transportation and warehousing, and administrative and waste management and remediation services; and relatively under-represented in management, mining and quarrying, and finance and insurance.

Table 2.6: National Industry Mix for Latino-Owned Firms (author's calculations from 2012 SBO)

Industry Category	Latino-owned		Non-Latino-owned	
	Firms	Revenue	Firms	Revenue
Agriculture, forestry, fishing and hunting	0.53%	0.24%	0.40%	0.21%
Mining, quarrying, and oil and gas extraction	0.15%	0.51%	0.40%	0.96%
Utilities	0.10%	0.06%	0.05%	0.23%
Construction	14.38%	11.79%	12.36%	9.87%
Manufacturing	1.55%	5.34%	4.79%	12.22%
Wholesale trade	1.94%	20.32%	5.79%	24.74%
Retail trade	7.74%	19.36%	12.44%	18.30%
Transportation and warehousing	7.35%	6.58%	3.03%	2.83%
Information	0.92%	0.86%	1.23%	1.90%
Finance and insurance	1.68%	1.62%	4.22%	3.51%
Real estate and rental and leasing	4.32%	2.65%	5.00%	2.27%
Professional, scientific, and technical services	8.41%	7.08%	14.84%	6.77%
Management of companies and enterprises	0.01%	0.36%	0.33%	0.54%
Administrative and support and waste management and remediation services	15.96%	5.60%	5.99%	3.39%
Educational services	1.62%	0.41%	1.08%	0.38%
Health care and social assistance	10.53%	6.11%	10.92%	5.20%
Arts, entertainment, and recreation	3.07%	0.82%	1.73%	0.84%
Accommodation and food services	3.03%	6.00%	9.09%	4.16%

Table 2.6 continued

Industry Category	Latino-owned		Non-Latino-owned	
Other services (except public administration)	16.73%	4.28%	6.91%	1.67%
Industries not classified	0.01%	0.01%	0.12%	0.01%

Figures 2.5 and 2.6 further highlight the best-represented industries (again, using two-digit NAICS classification) among Latino-owned firms nationally, both by number of firms and by total annual revenue. Comparing the two reveals that wholesale trade and retail trade are overrepresented in terms of revenue, while health care and social assistance and the broad category "administrative and support and waste management and remediation services" are overrepresented on the firm side.

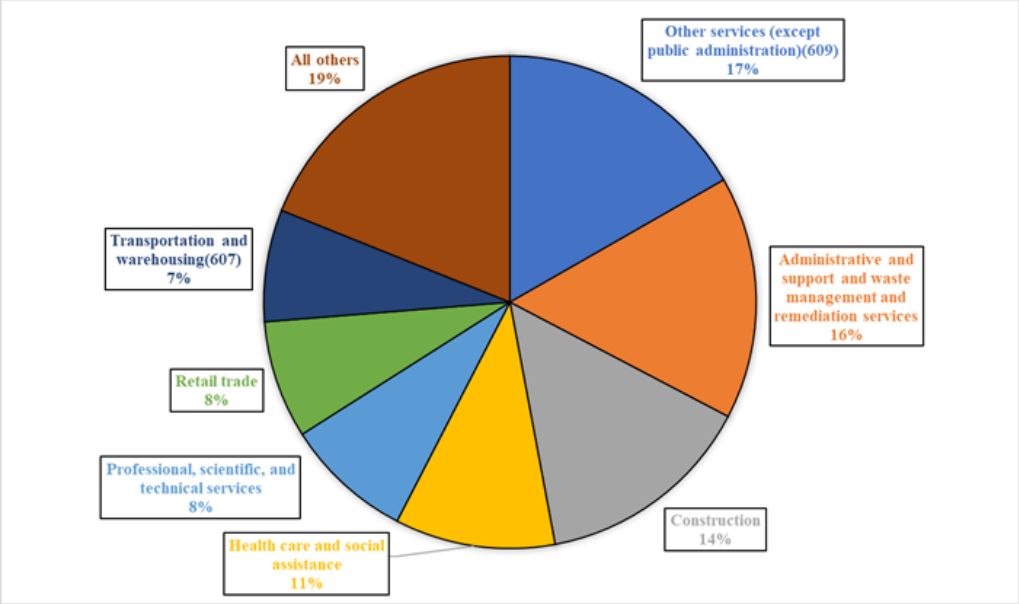


Figure 2.5: Industry Mix by Percentage of all Latino-Owned Firms Nationally (author's calculation from 2012 SBO data)

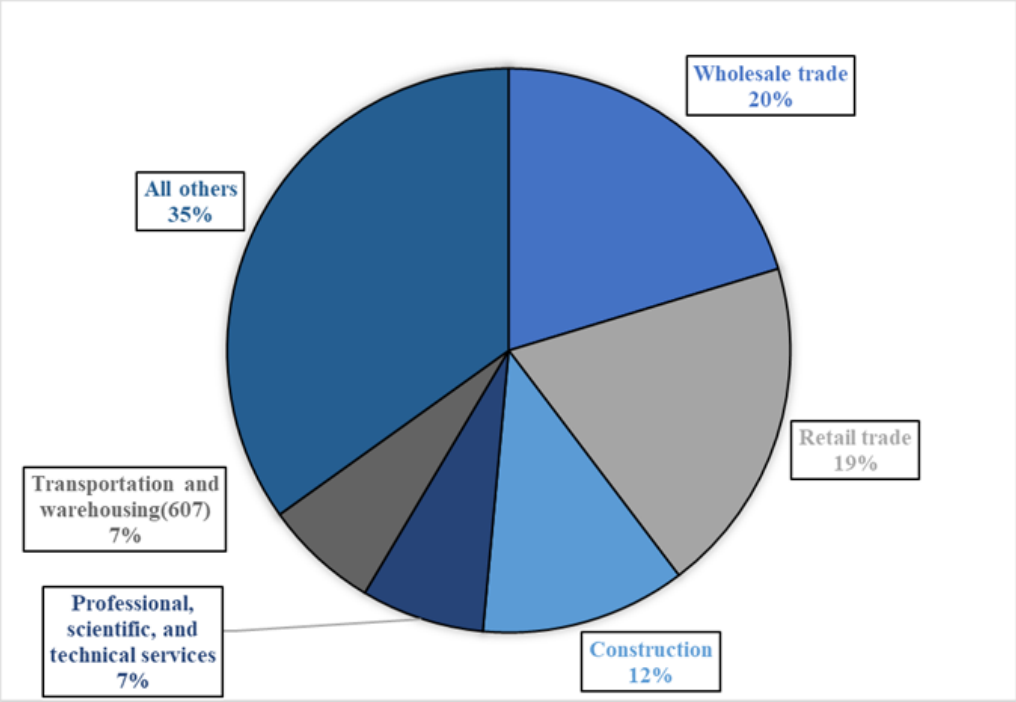


Figure 2.6: Percentage of Total Revenue by Industry, Latino-Owned Firms (author's calculation from 2012 SBO data)

Table 2.7, following, illustrates the relative smaller sizes of Latino-owned firms by revenue. With the exception of management, Latino-owned firms in every industry, on average, generate less annual revenue than do their non-Latino counterparts. Latino-owned firms (again, with the exception of management) are also less likely to employ paid employees; and that holds true for industries with lower skill requirements and lower wages, such as construction and retail trade, as high-skills industries such as professional and scientific services.

Table 2.7: Percent with paid employees and average receipts for firm by industry, Latino-owned and non-Latino-owned firms (author's calculations from 2012 SBO)

Type of industry (2-digit NAICS classification)	Percent with paid employees		Average receipts per firm (in thousands)		Latino avg. receipts per firm as % of non-Latino avg. receipts per firm
	Latino	Non-Latino	Latino	Non-Latino	
Agriculture, forestry, fishing and hunting(606)	3.6%	8.2%	64.66	134.79	48.0%
Mining, quarrying, and oil and gas extraction	14.4%	16.0%	493.90	908.98	54.3%
Utilities	4.2%	14.2%	95.78	1,521.20	6.3%
Construction	8.1%	24.4%	117.42	466.80	25.2%
Manufacturing	20.4%	44.5%	491.81	2,515.03	19.6%
Wholesale trade	26.6%	45.1%	1,502.25	4,289.13	35.0%
Retail trade	13.0%	26.8%	358.36	901.69	39.7%
Transportation and warehousing(607)	6.3%	15.2%	128.24	367.49	34.9%
Information	7.6%	17.1%	134.74	608.83	22.1%
Finance and insurance(608)	15.4%	23.5%	138.64	487.68	28.4%
Real estate and rental and leasing	7.0%	10.0%	87.89	182.67	48.1%
Professional, scientific, and technical services	10.6%	20.0%	120.57	234.99	51.3%
Management of companies and enterprises	100.0%	100.0%	4,556.03	3,594.30	126.8%
Administrative and support and waste management and remediation services	4.8%	16.4%	50.31	221.29	22.7%
Educational services	4.0%	8.8%	36.70	81.31	45.1%
Health care and social assistance	8.7%	24.7%	83.16	283.21	29.4%
Arts, entertainment, and recreation	2.3%	7.0%	38.29	96.37	39.7%
Accommodation and food services	37.8%	61.5%	283.74	638.34	44.5%
Other services (except public administration)(609)	4.2%	10.9%	36.62	79.73	45.9%
Industries not classified	73.5%	87.2%	118.89	155.11	76.6%

The small size of many Latino-owned businesses becomes even more apparent with a breakdown of NAICS category 56, Administrative and Support and Waste Management and Remediation Services. Table 2.8, following, shows the eight most popular business types under that two-digit classification, accounting for 88% of all 56-classified firms. With the exception of pest control services, more than 90% of businesses in each type are owner-only firms, with no employees.

Table 2.8: Most Popular Business Types for Latino Owners, NAICS Classification 56 (author's calculations from 2012 SBO data)

NAICS Code	Type of Business	Number of firms	Total annual revenue (in thousands)	Percent of firms with paid employees
561720	Janitorial services	275,702	$6,325,565	2.33%
561730	Landscaping services	94,495	$5,112,915	9.25%
561110	Office administrative services	39,417	$1,850,685	4.36%
561790	Other services to buildings and dwellings	22,712	$634,618	2.60%
561410	Document preparation services	18,459	$350,064	1.41%
561740	Carpet and upholstery cleaning services	9,426	$387,726	5.80%
561210	Facilities support services	3,380	$484,845	2.31%
561710	Exterminating and pest control services	2,180	$401,347	31.19%

Of course, many of these firms could simply be very small.[9] (A total of $6.3 billion in annual revenue across 275,000 firms works out to a mean of just $23,000 per firm.) But at least some of them, rather than hiring employees outright, could be obtaining workers through informal arrangements (such as day labor) or more formalized arrangements, such as working with contractors and subcontractors. Providing employees through contractors, an arrangement that rose from an estimated 0.6 percent of all workers in 2005 to 3.1 percent in 2015 (Katz & Kreuger, 2016), allows employers to shift the costs of providing payroll and benefits to the subcontracting company, and in some cases liability and responsibility for safety as well (Saucedo & Morales, 2010). It also obscures those workers obtained through formal contractors from such counts as the Survey of Business Owners, which reports counts of full-time employees, although the

[9] Both the Survey of Business Owners and the Annual Survey of Entrepreneurs limit respondents to owners of businesses with $1,000 or greater in annual revenue.

survey itself does ask about the use of part-time and contract work (see Figure 2.7, below).

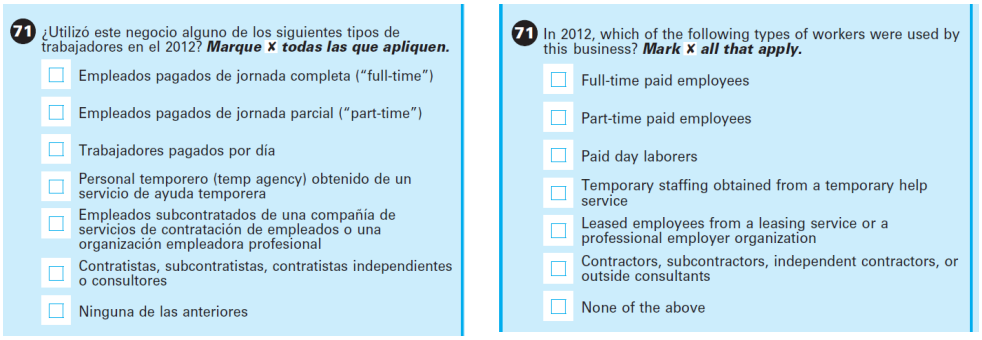


Figure 2.7: Excerpt from the 2012 Survey of Business Owners in Spanish and English (Bureau of the Census, 2012)

The longitudinal Annual Survey of Entrepreneurs (ASE), begun in 2014, also included the question on types of labor used. Table 2.9, following, shows the percentage of respondents (in the 2015 edition of the survey) by the different types of labor they had used, broken down by all respondents, Latino respondents, and non-Latino respondents. It fails to show a remarkable difference between Latino-owned and non-Latino-owned use of full-time employees or contractors; slightly more Latino-owned firms used paid day laborers, but that still only applied to less than five percent of firms. This suggests that Latino-owned firms are not substituting contract workers for paid employees, but instead are simply hiring fewer workers overall.

Table 2.9: Estimated Use of Different Types of Labor by Firms in 2015 American Survey of Entrepreneurs (percentages calculated by Census Bureau)

Type of Employees	All firms	Firms with Latino ownership only	Firms with no Latino ownership	Firms with equal Latino and non-Latino ownership
Full-time paid employees	73.3%	72.6%	73.1%	71.2%
Part-time paid employees	51.0%	46.1%	51.1%	51.0%
Paid day laborers	2.9%	4.9%	2.8%	3.0%
Temporary staffing obtained from a temporary help service	4.6%	3.8%	4.3%	3.3%
Leased employees from leasing service or professional employer organization	0.9%	1.1%	0.8%	0.6%
Contractors, subcontractors, independent contractors, or outside consultants	29.7%	30.1%	29.4%	32.9%
None of the above	9.2%	8.4%	9.3%	9.3%

Finally, where are Latino-owned firms? Unsurprisingly, there is a high concentration of Latino-owned firms in metropolitan areas with large Latino populations. Just five metropolitan areas—Miami, Los Angeles, New York, Houston, and Riverside, California—account for 45.7% of the 3.16 million Latino-owned businesses covered in the 2012 SBO. But as with Latino population, Latino business activity can have significant local variations. Table 2.10, following, takes the sample of gateway metropolitan areas featured in Tables 2.3 and 2.4 and compares them by 2012 Latino population, by total number of firms, and by total annual revenue.

Table 2.10: Selected Metropolitan Areas by Latino Population, Latino-Owned Firm Count, and Total Annual Latino-Owned Revenue, 2012 (author's calculations from 1-year 2012 ACS and 2012 SBO)

Metropolitan Area	Type of Gateway	Latino Population, 2012	Percentage of All Latino Population, 2012	No. of Latino-Owned Businesses, 2012	Percentage of All Latino-Owned Businesses, 2012	Amount of Latino-Owned Revenue (in thousands), 2012	Percentage of All Latino-Owned Revenue, 2012
National total		52,961,017	100.00%	3,305,873	100.00%	$473,635,944	100.00%
Boston	quintessential	444,517	0.84%	22,612	0.68%	$2,617,650	0.55%
Chicago	quintessential	2,025,371	3.82%	89,523	2.71%	$14,602,672	3.08%
New York	quintessential	4,508,478	8.51%	339,415	10.27%	$30,374,098	6.41%
San Francisco	quintessential	974,781	1.84%	54,669	1.65%	$9,333,741	1.97%
Cleveland	former	102,921	0.19%	4,742	0.14%	$648,775	0.14%
Milwaukee	former	155502	0.29%	4,185	0.13%	$980,525	0.21%
St. Louis	former	75,488	0.14%	3,493	0.11%	$820,763	0.17%
Houston	post-WWII	2,228,634	4.21%	164,923	4.99%	$22,663,273	4.78%
Los Angeles	post-WWII	5,857,358	11.06%	393,051	11.89%	$42,449,907	8.96%
Miami	post-WWII	2,419,441	4.57%	423,163	12.80%	$71,761,013	15.15%
Washington, D.C.	post-WWII	839,697	1.59%	65,997	2.00%	$10,080,799	2.13%
Atlanta	emerging	577,276	1.09%	44,240	1.34%	$5,549,599	1.17%
Las Vegas	emerging	596,269	1.13%	28,630	0.87%	$4,899,446	1.03%
Phoenix	emerging	1,294,139	2.44%	54,393	1.65%	$5,770,566	1.22%
Charlotte	pre-emerging	186,478	0.35%	11,610	0.35%	$1,374,890	0.29%
Columbus	pre-emerging	71,637	0.14%	3,599	0.11%	$450,997	0.10%
Nashville	pre-emerging	111,138	0.21%	6,194	0.19%	$1,405,561	0.30%
Baltimore	re-emerging	135,414	0.26%	7,549	0.23%	$1,433,025	0.30%
Minneapolis-St. Paul	re-emerging	185,806	0.35%	7,189	0.22%	$1,457,837	0.31%
Seattle	re-emerging	331,001	0.62%	11,906	0.36%	not given	not given
Fresno	minor continuous	485,394	0.92%	19,409	0.59%	$2,078,431	0.44%
Hartford	minor continuous	160,740	0.30%	6,328	0.19%	$1,078,462	0.23%
McAllen	minor continuous	733,012	1.38%	71,377	2.16%	$8,380,663	1.77%

Again, the concentration in a couple metropolitan areas is clear: New York, Los Angeles, Chicago, Miami, and Houston alone hosted 42.7% of the nation's total Latino-owned businesses (against 32.2% of its population). Also, all five of these metropolitan areas with high proportions of Latino-owned businesses are either "quintessential" or "post-WWII" gateways, metropolitan areas with at least several decades' worth of history with significant Latino settlement. Similarly, McAllen is the rare smaller metropolitan area with a share of Latino-owned firms and revenue greater than its share of Latino population, a probable testament to its proximity to the Mexican border and ability to host cross-border trade. By contrast, the business communities of the "emerging" and "pre-emerging" gateways are still very small.

Table 2.10 suggests that Latino-owned businesses are relatively small and economic activity is dispersed among many firms. Even in New York and Los Angeles, with large populations in general and of Latinos in particular, the percentage of firms is significantly smaller than the percentage of revenue generated in that particular metropolitan area, suggesting that many of the firms in both metropolitan areas are relatively small by revenue. In contrast to them—and to every other gateway featured—is Miami, which hosts nearly 13% of all Latino-owned firms and 15% of all Latino-owned revenue despite having less than 5% of the Latino population within the metropolitan area. This suggests that Miami, with its unique history of Cuban in-migration in the second half of the 20th century, may differ substantially from many other metropolitan areas, even those with large Latino populations.

2.5 Immigration Law, Enforcement, and Latino Settlement Patterns

There is one more factor that has influenced Latino settlement, and thus Latino business creation, in the United States: the legal environment in which immigrants generally, and foreign-born Latinos in particular, have come increasingly under scrutiny since the passing of the California state ballot initiative Proposition 187 in 1994. Controversial at the time, Proposition 187's focus on "illegal aliens" and its creation in the context of largely Latino in-migration could be seen as setting the stage for later legislation at the state and federal level meant to facilitate the deportation of undocumented workers, such as Section 287(g) of the 1996 Immigration and Nationality Act, which allows the Department of Homeland Security to authorize local and state police forces to act in the place of federal immigration agents (American Immigration

Council, 2017). Such measures, although ostensibly aimed at enforcing existing immigration laws and thus not targeted at residents with official documentation or at any particular ethnic group, are widely believed to have a negative impact of the quality of life and ease of mind of Latinos throughout the United States, documented or not.

At present the Census Bureau does not count undocumented or undocumented immigrants; some research uses foreign-born non-citizens as a proxy, assuming that undocumented immigrants are most likely to fall into this category. In its estimates of undocumented immigration, the Pew Research Center uses a formula derived from American Community Survey and Current Population Survey data (Passel & Cohn, 2016). Hoekstra and Orozco-Aleman (2017), studying the immediate effects of the 2010 passing of Arizona's restrictive State Bill (SB) 1070 on migration, used data from the Survey of Migration to the Northern Border, which is administered on a regular basis in Mexico by El Colegio de la Frontera Norte, a research center, and the Mexican federal government.[10] Other research, such as that by Bohn, Lofstrom, and Raphael (2015), uses synthetic control methods to estimate the effects of policy on migration of undocumented residents. Suffice to say that researchers interested in measuring undocumented residents have worked to get around the difficulties of measurement.

The Pew Research Center estimates that there are about 11.1 million undocumented immigrants in the United States as of 2014, and that 6.8 million of those lived in just twenty different metropolitan areas, the biggest being New York, Los Angeles, and Houston (Passel & Cohn, 2017). Of the total undocumented immigrants, 5.8

[10] More information about the Survey of Migration at Mexico's Northern Border (EMIF, for Encuestas sobre Migración en las Fronteras Norte y Sur de México) is available at https://www.colef.mx/emif/eng/.

million were from Mexico and an additional 2.35 million from Central and South American countries (Passel & Cohn, 2016). Ninety-seven percent of immigrants deported in 2013 came from Latin American countries; Mexican immigrants accounted for two-thirds of all deportations (Mexican American Legal Defense and Educational Fund, National Day Laborer Organizing Network, & National Hispanic Leadership Agenda, 2014). Not surprisingly, many legal measures targeting undocumented immigrants are assumed to be aimed at Latino immigrants. Proposition 187 was denounced by two successive presidents of Mexico, and the final days before the vote on the initiative saw large numbers of Latino and Chicano high school students stage school walkouts (Martin, 1995). A *New York Times* article in late 2017 on heightened activity by the regional Immigration and Customs Enforcement (ICE) office in Atlanta focused both on Latino residents frightened by the law-enforcement sweeps and the role of a journalist for the local Spanish-language newspaper, *Mundo Hispánico*, in warning of their approach (Yee, 2017). Both SB 1070 and its predecessor, the 2007 Legal Arizona Workers Act (LAWA), have frequently been explained as a reaction to increased Latino in-migration to the state, as in, for example, Magaña and Lee (2013).

Immigration law is set federally; in theory, its enforcement takes place at the federal level. Brenner (2009), conducting interviews in 2004–05 for her research on local governments' efforts to integrate immigrant residents, reported, "Most city police departments made decisions early on that they were not going to focus on immigration issues, which they saw as a federal responsibility; they were concerned with crimes within their communities." But the increased use of 287(g) and publicity surrounding it suggests that federal immigration law enforcement has been to some degree localized,

albeit not in every community. In short, there will exist differences at the local level as to the legal environment awaiting new foreign-born residents, and those differences could have an effect on where Latinos, foreign-born or not[11], choose to live and work in a particular metropolitan area.

Some research has been conducted on the effects of shifts in local immigration-enforcement efforts on migration decisions. Hoekstra and Orozco-Aleman (2017), looking at the immediate response in the two months after the announcement of SB 1070, found a decrease in Mexican migrants planning to cross into Arizona, but no effect on migration of undocumented out of the state. Parrado and Flippen (2016) looked at out-migration among foreign-born Latinos in Durham, North Carolina, after the onset of the Great Recession and the Durham police department's entrance into the 287(g) program and the related Secure Communities program in 2008. They found that voluntary returns to the home country were unaffected; internal migration to another destination within the United States decreased, probably, the authors posit, due to decreased economic opportunities and increased fear of new measures similar to Durham's during the recession. Bohn et al. (2015) found more dramatic effects, with the passage of LAWA leading to an 17% decrease in undocumented workers in Arizona.

[11] To address the obvious conflation: analysts, activists, and writers tend to assume that local anti-immigration policies are also anti-Latino, and that Latinos themselves, even if not foreign-born, will experience such policies as discriminatory. Evidence for this comes from a Pew Hispanic poll taken in December 2016, which found that just 16% of polled Latinos thought Latinos as a whole were doing better than they had been a year ago, while 32% thought Latinos were doing worse, a doubling since 2013 (Pew Research Center, 2017). It should be noted, though, that U.S.-born Latinos are not a monolith in their political views: in a 2013 poll, also by Pew, three-quarters of polled Latinos favored granting legal status to undocumented immigrants, but 68% supported a proposal to increase border enforcement, and one-quarter said that the net overall effect of unauthorized immigration on Latinos was negative (Lopez, Taylor, Funk, & Gonzalez-Barrera, 2013).

Even less research exists on the recently re-publicized concept of "sanctuary" cities, whose leaders announce their intention to not follow the federal government's lead in pursuing deportation of undocumented immigrants. This is partly because the term "sanctuary city" has no formal definition. Very generally speaking, it means that city law enforcement will not participate in 287(g) agreements or otherwise attempt to determine immigration status through routine encounters. But the actual application of policy to reinforce declared sanctuary status can vary widely from city to city. The city attorney for Seattle, after its mayor re-declared the city's sanctuary status in November 2016, said as much: "'Sanctuary city' means different things to different people" (Beekman, 2016).[12] Moreover, different places within the same metropolitan area may have different approaches: Gwinnett County, in the Atlanta metropolitan area, is a public 287(g) complier, but the city of Atlanta has declared itself a sanctuary city. Thus differing local levels of zealotry towards enforcing federal immigration law may influence migration shifts within, as well as between, metropolitan areas. Policy, politics, and activism are moving faster than data collection: it will take some time for researchers to be able to put reliable numbers on the effects of sanctuary-city declarations on immigrant settlement.

Finally, it should be noted that harsh anti-immigrant laws have been more likely to appear in metropolitan areas such as Atlanta, Phoenix, and Charlotte, and have been prevalent in the southeastern United States (Walker & Leitner, 2011). In other words, harsher anti-immigrant policy and the political sentiment clamoring for it have been more

[12] In this particular case, in practice, the city of Seattle bars its employees from asking about immigration status unless required to by court order. The police for both the city of Seattle and King County are similarly instructed not to ask, although an exception exists for police who have reason to believe the suspect has committed a felony and has been deported before. (Beekman, 2016)

likely to appear in the "emerging" and "pre-emerging" gateways. Those metropolitan areas have seen the most dramatic change in a short period of time; it is not surprising that the political counter-reaction would be pronounced. Such enforcement policies and political climates will adversely affect how Latinos live, work, and run businesses in those metropolitan areas, making for a difference in the Latino experience of entrepreneurship in emerging and pre-emerging gateways and the Latino experience of entrepreneurship in the quintessential and post-World War II gateways, which have by and large eschewed the explicitly anti-immigrant, pro-287(g) stance.

2.6 Conclusion

The purpose of this chapter has been to cast a relatively wide spotlight on the Latino population in the United States, particularly in regard to settlement patterns, most popular metropolitan areas, and business ownership trends. For the most part, the Latino population of the United States has settled in urban areas, though the growth in "emerging" gateways has frequently been in the suburbs. As a group, Latinos self-employ slightly less often than do non-Latinos; when they do start businesses, those businesses are usually smaller in terms of annual revenue, and less likely to have paid employees.

But while looking at the United States' Latino population as a whole, this chapter has also made the case that there are important differences between metropolitan areas. Some have millions of Latinos; some have only a few thousand. Some have been hosting immigrant populations for decades, or more than a century; some have only recently needed to come to grips with the idea of a local immigrant population at all. Some have almost exclusively Mexican populations; some have Latinos of a much greater variety of

country of origin, ethnicity, or native language. Some have high concentrations of entrepreneurial activity; some have relatively small communities. And while some have designated themselves "sanctuary cities," other metropolitan areas have taken a more explicitly hostile stance towards undocumented immigrants and Latino in-migration.

Yet even in the complete (hypothetical) absence of hostile gestures, migrating to a new country and beginning a business there is still a difficult task. What motivates immigrants to the United States to start businesses, and what have their experiences been once they do so? The next chapter will provide an overview of the literature, also discussing what parts of that literature address questions specific to Latinos and what can be found about geographic and metropolitan-level differences. The chapter following will take the information presented here and engage in a more thorough analysis, exploring the question of what different factors at the metropolitan level might affect Latino-owned businesses.

Chapter 3 : Literature on Ethnic Entrepreneurship and Latino Entrepreneurship

3.1 Introduction

> …at the centre of an extraordinary amount of scholarly attention and controversy stands… the lowly immigrant firm. The reasons why ethnic business should have gained the spotlight are not difficult to divine: the prospects for moving up through the primary sector, as previous immigrants did, seem poor; restructuring has created a better opportunity for small firms of the kind immigrants can establish; and immigrants have been going into business in large numbers anyway—with or without the endorsement of salaried academics. (Waldinger, 1993)[13]

As implied by Waldinger, a great deal of scholarly research already exists on immigrant entrepreneurship. This chapter will review some of the most influential developments in the study of how immigrants choose to start businesses, the obstacles they most frequently face, and the strategies they use to overcome these obstacles. After reviewing the literature for immigrant entrepreneurs as a whole, it will then examine the literature for Latino entrepreneurs in particular, and discuss the similarities and differences between immigrant entrepreneurs characterized more broadly and Latino entrepreneurs in particular.

Very little of the literature to be reviewed here, it should be said, comes out of planning. Research on immigrant entrepreneurship by and large originated with sociology, in the tradition of the Chicago School and mid-20th-century writers such as

[13] The second ellipsis is in the original.

Bonacich (1973) and Light (1973). But a great deal of entrepreneurship literature, including literature on immigrant entrepreneurship, is located in management and business studies. More recently economic geographers such as Liu (2012b) and Q. Wang (2013a) have called for an expansion of the literature to include spatial variables and contexts. Speaking in very general terms, the treatment of immigrant entrepreneurs in management literature has been more global in scope and less concerned with particular sociological contexts, whereas the sociological literature has included more detail about national origin. Since this study is focused exclusively on immigrant entrepreneurship in the United States, it has slanted towards more of the sociological review, although some of the literature presented here comes from business and management research.

3.2 How, and Why, Immigrants Become Entrepreneurs

According to the estimates of the 2006–10 American Community Survey (ACS), there were 2.4 million immigrant entrepreneurs in the United States, accounting for 18.2% of all business owners; the $121 billion generated by immigrant-owned businesses accounted for 15% of total national business income (Fairlie & Lofstrom, 2015). But immigrant entrepreneurship has a long history in the United States. The Korean and Korean-American entrepreneurs who became the subject of study in the 1970s and 1980s were following in a long tradition of immigrant entrepreneurship: they opened "the businesses that immigrants in America have operated for hundreds of years—labor-intensive produce stands, convenience stores, and garment factories." (Park, 1997) Indeed, during this time some Korean immigrants in New York City were buying small

corner grocery stores directly from their predecessors, Jewish or Italian families moving away from small retail (Waldinger, Aldrich, & Ward, 1990).

The proportion of immigrant entrepreneurs to native-born entrepreneurs should not be overestimated. Of participants in the Panel Survey of Entrepreneurial Dynamics (PSED), a survey designed to capture both aspiring and nascent entrepreneurs, 85% were native-born to native-born parents (Reynolds & Curtain, 2008). Nonetheless, immigrants have self-employed at higher rates than has the native population, according to every decennial census going back to 1870 (Bowles & Colton, 2007). Immigrants have, over time, contributed enough to American entrepreneurial history to generate a significant amount of research into their motivations and strategies.

3.2.1 Theories of Immigrant Entrepreneurship

Much of the literature on ethnic entrepreneurship has focused on why some ethnic groups were more likely than others to become entrepreneurs. One early theory of how immigrants become entrepreneurs was the idea of the immigrant group as "middleman minority" (Bonacich, 1973). The "middleman" representative was characterized by an orientation towards saving and capital accumulation, a relatively loose attachment to the host country (often coupled with a long-term plan to return to the home country), and concentration in particular skilled trades (Bonacich, 1973). But the middleman minority's self-positioning as temporary is in contrast to the rise of immigrant groups who left their home countries for reasons of political disagreement or safety, who would be more likely to establish permanent enclaves within the new country (Portes & Sensenbrenner, 1993). The idea of the "middleman minority" failed to explain early examples of ethnic business activity in a concentrated area, such as the growth of Los Angeles's Koreatown

neighborhood in the 1970s and 1980s (Light & Bonacich, 1991) or the success of Cubans in Miami (K. L. Wilson & Portes, 1980).

Aldrich and Waldinger (1990) eventually proposed that ethnic entrepreneurship arose out of the interplay between opportunity structures and group characteristics, with members of the group using "ethnic strategies" to address the opportunities and threats they encounter. Figure 3.1, below, presents both these opportunity-based and group-based factors in greater detail. The group factors but depend on whether the group is in the process of migrating or has already migrated, or is drawing from experiences prior to migration. Therefore these factors are not constant; different sets of migrants from the same ethnic group and country of origin may have to apply different strategies, depending on the circumstances of their migration.

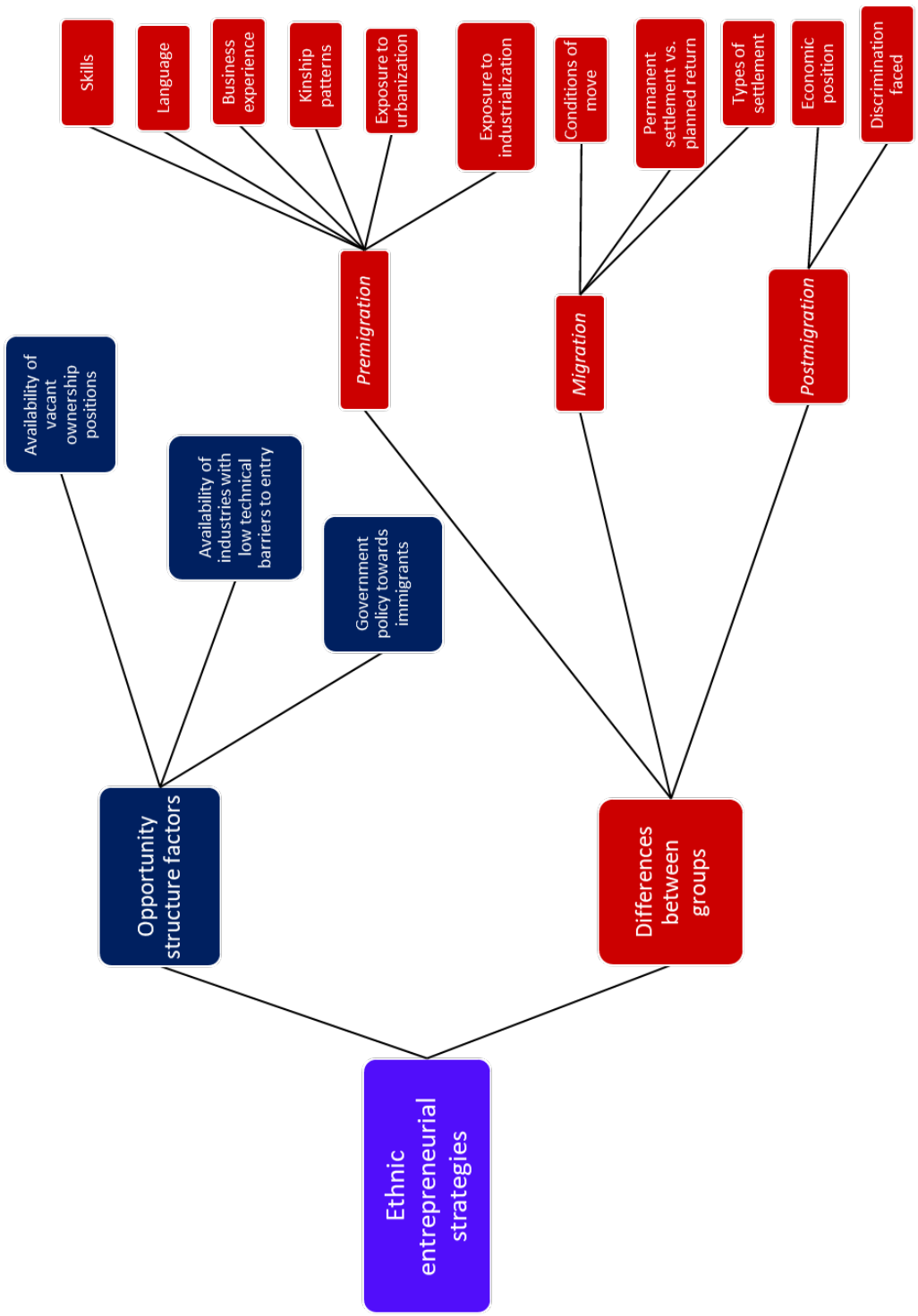


Figure 3.1: Opportunity Structure and Group Characteristic Differences (based on Waldinger, Aldrich, & Ward, 1990)

Historically it has been common for immigrant retailers to begin by selling to a co-ethnic audience, which means that business growth will be limited by the size and resources of the local co-ethnic population (Waldinger, McEvoy, & Aldrich, 1990). An alternative strategy is to act as a middleman minority in the setting of a particular industry, such as Koreans operating small grocery stores and convenience stores in mostly black neighborhoods in Los Angeles (J. Lee, 2007).

Following on the work of Aldrich and Waldinger is the idea of "mixed embeddedness" (Kloosterman & Rath, 2001; Kloosterman, Van Der Leun, & Rath, 1999). This argues for shifting away from focusing exclusively on the immigrant entrepreneurs themselves, towards including information about the "opportunity structure" greeting the entrepreneurs in their host country. Thus discussing why and how an immigrant chooses to self-employ involves "mixing" characteristics of immigrants themselves—personal characteristics, social capital—with the surrounding economic and regulatory structure. Kloosterman and Rath (2001) illustrate the potential interplay between the immigrant-owned firm, the local market, and the larger society:

> The first Bangladeshi immigrant, who senses a wider market for Indian foods and subsequently translates this into starting a restaurant in a predominantly white neighborhood, can be seen as a consciously innovative entrepreneur. Others, however, may start out as pure copy-cats but eventually turn out to be rather innovative when, for instance, demand for foreign foodstuffs rises due to the increase in overseas travelling on the part of the indigenous population. A large majority of the immigrant entrepreneurs, arguably, has to accept the existing opportunity structure—at least in the short run.

With its emphasis on the local context, the idea of mixed embeddedness opens up theorizing about immigrant entrepreneurship to the need for geographic specificity. Considerations of the effects of the local or metropolitan scale were rarer: Light and Bonacich's study of Korean entrepreneurs in Los Angeles, for example, discusses the question of *why Korean entrepreneurs?* at length and the question *why Los Angeles?* not at all. More thorough consideration of the effects of the metropolitan context would come later, after the immigrant population—and immigrant entrepreneurship—had expanded into more metropolitan areas.

3.2.2 Pushed or Pulled?

One of the ongoing questions in the literature on self-employment and entrepreneurship in general, and immigrant self-employment and entrepreneurship in particular, is: is the new business owner *pushed* into self-employment for lack of better options, or *pulled* to choose self-employment? "The main debate," as Portes and Yiu (2013) summarize it, "is between those authors who emphasize the role of self-employment and ethnic entrepreneurship as an economic survival strategy—a resource against destitution—and those who mainly describe it as a means of individual and collective mobility."

The question is obviously primarily answerable on an individual level, but the aggregate answer has particular important policy implications. Someone pushed into self-employment, who would prefer wage employment, would be helped by gaining more access to wage employment; whereas the business owner fulfilling the proverbial dream should be encouraged and aided specifically in business ownership. Given that very few

businesses, even informal ones, operate without at least some startup costs for the owner, it makes sense to try and distinguish between pushed and pulled entrepreneurship before treating all entrepreneurial efforts as the former or the latter.

Fairlie and Fossen (2018) characterize the push-pull question as "opportunity" versus "necessity" entrepreneurship. They define necessity entrepreneurship as following a period of unemployment, and opportunity entrepreneurship as following a period of wage employment. Looking at data from the United States and Germany, they found that opportunity entrepreneurship was pro-cyclical, meaning opportunity entrepreneurs were more likely to start a business in good economic times, and necessity entrepreneurship was counter-cyclical, increasing as unemployment rates rose. They also found that businesses founded out of opportunity were more likely be employer firms.

Both push and pull conditions seem to exist in entrepreneurship in the United States as a whole. Four-fifths of the participants in the Panel Survey of Entrepreneurial Dynamics (PSED) were working for an employer while planning to start their own firm, and only 12% reported planning to start of business because they *had* to, rather than because they wanted to. On the other hand,

Coomes, Fernandez, and Gohmann (2013), looking at data instead of surveys, found that a 1% rise in unemployment in an MSA led to an increase in the growth of proprietorship between .015% and .057%, thus finding evidence of a push effect. Yet push and pull factors are not necessarily mutually exclusive; some entrepreneurs who found businesses after losing wage employment may do so because they feel pulled to entrepreneurship, rather than because they feel they have exhausted all other options (Caliendo & Kritikos, 2010).

Chrysostome (2010) reviewed the literature on the characteristics of immigrant entrepreneurs as distinguished by their having acted out of opportunity (pulled) or necessity (pushed). The pushed immigrant entrepreneurs, she suggests, were less likely to be comfortable conducting business in English than were their pulled counterparts, and also less likely to have a college degree. With their options in the general wage-employment environment limited, they were more likely to rely on a local co-ethnic community to support their business, turning to co-ethnics as both potential customers and as potential employees.

Making wage employment more available to immigrants may reduce the overall rate of immigrant entrepreneurship but means that those immigrants who do self-employ are more likely to do so out of a personal desire to start a business. Whether or not ethnic entrepreneurship should be encouraged, then, depends not only on the possible financial returns but the possible non-financial returns, which in turn will depend on the aspiring entrepreneur's own goals, social networks, and human and financial capital resources. Yet, the difficulties faced by immigrant entrepreneurs are significant enough that some researchers have questioned whether entrepreneurship should be encouraged for this group.

3.3 Difficulties Faced by Immigrant Entrepreneurs

3.3.1 Does Entrepreneurship Benefit Immigrants?

Entrepreneurship can be a risky way to earn a living: there is a certain amount of risk involved with the creation of *any* new business. The truism that half of all businesses

fail within the first five years aside[14], the failure rate for a given cohort of new firms tends to peak at 18 to 24 months after creation (Cressy, 2006). That said, failure rates for minority-owned businesses, particularly black- and Latino-owned businesses, tend to be higher than those for white-owned businesses (Robb, 2002).

To be fair, closure of a small business does not necessarily mean the business failed, as Bates (2005) points out; it may simply have been a matter of the business being less attractive than the alternatives. According to the 1996 Characteristics of Business Owners (CBO) survey, one-third of businesses that had closed between 1992 and 1996 were described as "successful" by their owners. That said, minority business owners were more likely to describe their closed firm, in retrospect, as unsuccessful. So were owners with less than a high-school diploma, which ties in with Bates's longstanding championship of the link between human capital (for which education attainment is a common proxy variable) and business success.

One factor that has come up repeatedly in Bates's research (Bates, 1989; Bates, Lofstrom, & Servon, 2011; Bates & Robb, 2015) is the size and wealth of the firm's target audience. Minority firms selling to a co-ethnic audience may be hampered by a small pool of customers; even more so if that pool is overserved by co-ethnic sellers. Human capital, measured by the proxy variable of levels of education (specifically, college education) has been positively correlated with firm survival (Bates, 1990, 2005).

[14] An online search via Duckduckgo.com finds that many articles using the phrase "half of all businesses fail within the first five years" attribute the fact to the SBA (without further citing). A June 2012 SBA pamphlet says, "About two-thirds of businesses *with employees* survive at least two years and about half survive at least five years." Emphasis mine. (United States Small Business Administration, 2012)

Higher education levels has also been correlated with greater access to debt financing (Bates, 1989).

Thus some of the literature on immigrant entrepreneurship has argued that encouraging immigrants to start their own businesses is encouraging them to work against their own interests. Light and Bonacich (1991), for example, argued that ethnic entrepreneurship promotes cross-ethnic solidarity at the expense of suppressing class conflict, and "serves as a profoundly conservative force, leaving unchecked the worst consequences of capitalist social relations." More financially-minded critiques have centered on whether entrepreneurship is a worthwhile route for immigrants wanting to establish a sustainable income stream. In their examination of Latina entrepreneurs, for example, Lofstrom and Bates (2009) found evidence that the self-employed Latinas in their sample would probably have earned higher earnings from wage or salary work.

Portes and Shafer (2007), surveying both the history of Cuban-origin entrepreneurship in Miami and the history of the idea of the "ethnic enclave" (of which more later), complain, "[T]here is also a willful resolve—most common among some economists—to demonstrate that the independent business route does not pay for minorities and, hence, that the possibility of successful ethnic entrepreneurship is a 'myth'." In fairness, the evidence that ethnic entrepreneurship is financially a good bet is mixed at best. But this would not make ethnic entrepreneurship unique. Research has suggested that the trend is for *all* entrepreneurs to receive both lower initial earnings and lower earnings growth over time as compared to paid workers, suggesting that the benefits of entrepreneurship are mostly nonpecuniary, such as control over one's time and choice of work (Hamilton, 2000). Moreover, many entrepreneurs, immigrant or no,

have motivations for starting their own business unrelated to wealth maximization. But it is worth acknowledging that many immigrant entrepreneurs face worse-than-usual odds when starting their business, due mainly to two gaps of access: access to information, and access to financial capital.

3.3.2 Informational Gaps Faced by Immigrant Entrepreneurs

Starting a new business requires, in most cases, not only startup capital but a certain amount of *time*—1,200 to 1,600 hours, on average (Reynolds & Curtain, 2008). Some of that time has to be spent on the business itself: its industry, its location, the need it meets, and so on. But some of it also has to be spent understanding the regulatory environment in which the business will operate. Although information necessity does not appear in the literature on immigrant entrepreneurship as regularly as does startup capital, it is nonetheless important enough an issue that its lack comes up repeatedly.

These potential informational "gaps" were divided into five broad groups by Servon, Fairlie, Rastello, and Seely (2010): capital gaps; non-capital resource gaps; transitional gaps, most commonly faced as businesses grow; information gaps; and service-delivery gaps, such as difficulty finding relevant training. All of these are more likely to occur for entrepreneurs who lack formal credit histories or are not comfortable with the dominant language. The authors conducted their survey in New York City, one of the metropolitan areas with the longest history of immigrant entrepreneurship, as well as a metropolitan area where city government has been openly, formally committed to supporting immigrant entrepreneurship; it is thus reasonable to assume similar challenges for immigrant entrepreneurs in newer gateways.

As Servon has noted in her work on microenterprises and the community-based organizations (hereafter CBOs) that serve them (1999), programs targeted at low-income aspiring entrepreneurs need to provide more training and support, and therefore require more funding for such, than do programs serving better-financed populations. This is in line with the interviews by Wah (2008) of representatives of CBOs serving Afro-Caribbean entrepreneurs in Brooklyn and south Florida, one of whom gently observed that the clients "need[ed] a lot of handholding."

3.3.3 Immigrants' (Lack of) Access to Startup Capital

"One legacy of our nation's discriminatory past," write Blanchard, Zhao, and Yinger (2008), dryly, "is that creditworthiness is negatively correlated with minority status." Evidence of such discrimination has been noted repeatedly in the literature. Minority business owners are more likely to get loan applications denied than non-ethnic white business owners (Bradford, 2013). While some of the discrepancies can be explained by pointing to individual credit histories, even controlling for personal wealth fails to explain large disparities in loan turndown rates between white and non-white applicants (Cavalluzzo & Wolken, 2005).

The findings of Robb and Robinson (2018) suggest that the problem goes of minority startup capital acquisition goes deeper than creditworthiness. They used data from the Kauffman Firm Survey to measure potential racial bias in credit scores; if minority (defined as black or Latino) applicants were being unfairly discriminated against in their credit scores, they reasoned, then their credit scores should underpredict these borrowers' loan repayment ability. Instead they found that the credit-score actually *over*predicted loan repayment ability: even after controlling for other factors, the minority

business owners had worse repayment histories than would be expected from their credit scores alone. Robb and Robinson offer three possible explanations for this unexpected finding: first, that minority applicants may have a smaller liquidity cushion to start with and thus a smaller repayment ability than would white applicants with similar credit scores; second; lenders might be relying on "soft" information about applicants, which may be more likely to come with biased judgments; third, there might be differences between lenders and minority borrowers about the prioritization of repayment and the long-term viability of the lender-borrower relationship.

Minority business owners actually have multiple points of potential discrimination. Not only are they more likely to get smaller loans (even after controlling for business size), but they also face the possibility of receiving a smaller loan from being in a minority neighborhood (Bates & Robb, 2013). Not surprisingly, minority neighborhoods in Chicago showed low loan availability and high use of credit cards on the part of business owners (Bates & Robb, 2013). Low loan availability can begin a self-perpetuating cycle, as black and Latino business owners may be more likely to preemptively judge themselves as a credit risk and thus less likely to even apply for a loan in the first place (Bates & Robb, 2015). They may also ask for smaller loans than they need (Bates & Robb, 2015).

The loan program run by the United States Small Business Administration (SBA) is not exactly immune to the trend: noting that in 2004 Asian-American-owned firms received 20% of all SBA loan dollars, Latino-owned firms 7%, and black-owned firms 3%, Park declares the SBA "a racist institution" (2010). Although Asian-American entrepreneurs are usually assumed to face less discrimination than black or Latino

entrepreneurs, as late as 2010 56% of Korean immigrant entrepreneurs were using personal savings as startup capital, as opposed to 19% using bank loans (Park, 2010).

The risk minority entrepreneurs (disproportionately) face is that, unable to get initial startup credit, they will have greater difficulty growing their businesses. A study of minority entrepreneurs found a positive correlation between level of startup capital and future business success; initial funding of more than $5,000 was especially likely to make for a successful business (Fairlie & Robb, 2008). Greater availability of credit may also increase the entrepreneur's options, in terms of what industry the entrepreneur chooses to enter (Bradford, 2013). Ironically, banks are sometimes unwilling to take on the initial risk of financing a new business, only to be much more generous with credit offers once the business is established and the risk is lowered (Li & Lo, 2015).

It should be noted that the literature does not suggest a correlation between the *type* of credit used, separate from the amount, and business survival. J. J. Lee and Zhang (2011), looking at data from the Kauffman Firm Survey, found a positive, significant relationship between a startup's obtaining of formal capital and the likelihood of its still being in business three years after founding—*but* that relationship disappeared after the authors controlled for human capital. Rather than formal capital influencing business survival, they concluded, the data suggested the opposite: that startups already more likely to survive were more likely to obtain formal capital. Again, the literature suggests that those businesses that most need capital are not those businesses most likely to get it.

3.4 Ethnic Enclaves and Social Networks

3.4.1 Immigrant Entrepreneurs' Strategies

It would be a mistake to minimize the difficulties faced by immigrants looking to start a business. It would also be a mistake to think of immigrant entrepreneurs as passive in the face of repeated difficulties. As Table 3.2, below, adapted from Boissevain et al. (1990), shows, immigrant entrepreneurs have been observed to employ multiple different strategies to overcome problems.

Table 3.1: Observed Strategies Used by Immigrant Entrepreneurs (after Boissevain et al., 1990)

Problem	**Observed strategy**
Social, legal, cultural, religious, and/or linguistic barriers to interacting more with majority group	Cultivate direct and indirect ties with coethnic communities
	Reinforce social ties and develop networks through "ritualized occasions" such as church attendance
	Cultivate specialized coethnic associations
	Subscribe to or support specialized coethnic/colinguistic media
Lack of formal financial resources	Use unpaid labor of immediate family
	Employ coethnics through apprenticeships
Need for coethnic community support of business	Offer informal, general services through business, such as ad-hoc counseling
	Serve coethnic customers more personally and non-coethnics more impersonally
Increased competition	Use "self-exploitation" (i.e., work longer hours)
	Expand business horizontally, by establishing new locations, or vertically, by producing product elsewhere in the supply chain
	Create or join formal trading associations
	Increase family wealth through marriage alliances
Lack of resources to meet formal regulations	Bribe officials
	Manipulate or dodge regulations

Of course, not every strategy will be employed by every immigrant or every immigrant group in every situation. Marriage alliances, for example, were a strategy

deployed by Romani in European countries, as a way of establishing and extending trading rights between different groups (Boissevain et al., 1990). Koreans in the United States were more likely to form business alliances, especially through existing social connections such as shared churches, whereas Latinos in the Midwest may be more reluctant to extend trust without the assurance of a known and trusted third party (Welch, 2010). Approaches to family labor and customer bases will also vary by social and cultural expectations.

As an example of strategizing in action, Chang, Memili, Chrisman, Kellermanns, and Chua (2009) surveyed 85 Latino entrepreneurs in Massachusetts who'd completed a course in small business management. Their study group reported being influenced by "family social capital"—the willingness of family members to support the venture, in terms of nonfinancial resources. This is in line with the research of Boissevain et al. (1990), who found that family support, particularly in the form of unpaid labor, was employed as a strategy by ethnic entrepreneurs (and small business owners in general, for that matter) across multiple industries and host countries.

Separate from individual strategies are the strategies that arise out of many immigrants of the same ethnic and linguistic background, linked (usually) by living in the same or adjoining neighborhoods, pursuing business investment in related industries, so that often business owners will have co-ethnic employees and buy from and sell to co-ethnic suppliers. Such a concentration is generally referred to as an "ethnic enclave," and it has been the subject of a great deal of immigrant-entrepreneurship research.

3.4.2 Defining the Ethnic Enclave

The idea of the "ethnic enclave"—popularization of the term being often attributed to K. L. Wilson and Portes (1980)—has occurred repeatedly in the literature: Koreans and Korean-Americans in Los Angeles (Light & Bonacich, 1991), New York (Park, 1997), and Chicago (Yoon, 1997); Portuguese and Portuguese-Canadians in Toronto (Teixeira, 1998); and Greek-Americans in Boston (Halter, 1995), to give just a few examples. Zhou (2004) has summarized the two main aspects of what makes a concentration of co-ethnics an ethnic enclave. First, the ethnic group must maintain ownership of economic activity; second, the ethnic group must control the employment network. Thus, say, a group of Latinos all working for the same food-processing plant would not be an ethnic enclave until there was sufficient capital in the community for multiple Latino-owned businesses to open, and for Latinos to be able to offer jobs to co-ethnics in competition with the food-processing plant.

Generally, an ethnic enclave is supposed to be spatially concentrated. Although the rise of geographic analyses of immigrant entrepreneurship, to be covered later in this chapter, has challenged the assumption that all ethnic enclaves are set in areas of spatial concentration, it is generally assumed that physical proximity enhances the social exchanges that make up the enclave. For example, one could say that the analysis conducted by Kalnins and Chung (2006) of Gujarati hotel owners was not of a proper enclave, since their study area was the entire state of Texas. Yet their tests revealed that Gujarati-owned hotels tended to cluster spatially (65% of all the unbranded motels in their sample were located in the vicinity of a branded Gujarati-owned hotel) and that proximity to more prosperous Gujarati-owned hotels enhanced survival rates for the

motel owners. Even if it would be wrong to speak of an "enclave" of Gujarati hotel owners the size of Texas, the interactions of participants resembled the behavior of immigrant entrepreneurs within established, geographically identifiable enclaves.

While the "middleman minority" frequently sells to the larger, majority audience, immigrant entrepreneurship in the United States has also featured immigrant entrepreneurs selling specifically to their co-ethnic audience. Aspiring minority entrepreneurs, including immigrant entrepreneurs, responding to the Panel Survey of Entrepreneurship Dynamics (PSED) in the mid-2000s, were more likely to be planning to target a niche market than were their white counterparts (Liu, 2012a).

Choi (2010) offers a detailed example of how the Korean-American co-ethnic entrepreneurial social network works in Los Angeles. The *Los Angeles Korea Times* publishes an annual business directory; churches function as hosts for informal networking meetings; pastors openly encourage "Christian businesses." Similar religiously-encouraged business networking occurred within the Korean-American community in Queens, New York City (Park, 1997). Social and business networks also reinforced each other through the creation of rotating credit associations, which were often about friendship as well as mutual aid and investment (Park, 1997).

The term "ethnic enclave" was batted around for a bit after its conception, a series of arguments summarized by Waldinger (1993). Part of the question was whether an ethnic enclave designated a space in which co-ethnics could participate as employees for higher wages. Eventually Light, Sabagh, Bozorgmehr, and Der-Martirosian (1994) proposed a distinction between the broader "ethnic economy" and the "ethnic enclave economy," the latter of which belongs specifically to the hypothesis that, after adjusting

for human capital, wages for co-ethnic participants in the ethnic enclave are higher than for those in the primary labor market. Thus the idea of the ethnic *enclave* is slightly different from that of the ethnic *economy*, as defined by Kaplan and Li in the introduction to their 2006 book *Landscapes of the Ethnic Economy*. In addition to the concentration of the enclave, they suggest that the ethnic economy can be distinguished by spatial concentration of co-ethnic economic activity; specific appeals to the co-ethnic market; co-ethnic proprietorship and employment; and integration, in which co-ethnics also act as suppliers.

But to discuss co-ethnic concentrated business activity solely in the context of economy misses important overlaps: "the interconnections of ethnic economies, ethnic neighborhoods, and ethnic institutions mark such places as ethnic communities in their most complete form." (Kaplan & Li, 2006) "Ethnic economy" is thus an inadequate term to sum up the various aspirations nurtured within the geographic concentration. "Ethnic community" has the virtue of being less specific but could equally apply to a physically concentrated group of immigrants lacking the economic power that would help them start their own formal businesses. Thus, the term "ethnic enclave" has drifted away somewhat from its initial association with wages and become more encompassing of social relations. For example, the research by Shin (2017) on how living in an "ethnic enclave" affects immigrants' travel behavior discusses the idea of the enclave in terms of concentration of a co-ethnic population, in terms of the built environment, and in terms of social networks, but not in terms of business ownership or co-ethnic employment.

3.4.3 How the Ethnic Enclave Supports Entrepreneurs

Ethnic enclaves support participating entrepreneurs by providing a space for mutual aid, either through direct financial intervention or through exchanges of information (Light & Bonacich, 1991). Qadeer (1999) laid out a trajectory of how immigrants become entrepreneurs based on interviews with a sample of Chinese and South Asian merchants in the Toronto metropolitan area. His respondents tended to focus on the co-ethnic market, in some cases because they were more easily able to identify a need in the market, in some cases because it allowed them to trade goods or services they were already familiar with. More than half of the businesses in his sample were located near other co-ethnic enterprises. "Overall," he concluded, "ethnic enclaves help draw customers, provide bases for the cultural imagibility of a commercial area and invest an economic value in social and linguistic characteristics."

Bailey and Waldinger (1991) present the benefits of the enclave in greater detail. They start with the assumption that training is relatively risky, for both employer and employee: risky for the employee, who is training for a job she might in the long run not get to do; risky for the employer, who is investing in an employee who may walk out the door before any return (in the form of skilled labor) can be realized on that investment. Ethnic enclaves reduce the risk to both parties by increasing their mutual knowledge of each other prior to entering into the contract, allowing both employer and employee to make a more informed decision about whether to enter into the potentially risky transaction of agreeing to train / agreeing to receive training (since the training period frequently comes with lower wages attached).

Bailey and Waldinger illustrated their theory by looking at the New York City

garment industry, which at the time was shifting from a primarily Jewish- and Italian-dominated set of firms to a Chinese-dominated enclave. The firm owners from the previous generation complained that they had no information about the potential new hires and little way to get it. The immigration flow had changed on the garment industry, the authors noted, breaking the shared mutual legibility of owner and employee: in fact, a shift from a Jewish/Italian to a Chinese workforce ended up *decreasing* mutual legibility. In the case of two competing enclaves, rather than one, "[r]ather than strengthening training structures, ethnicity undermines them" (Bailey and Waldinger, 1991).

In 1990s Boston, Dominican and Puerto Rican entrepreneurs relied on friends and family members for loans, technical assistance (such as working in the shop), and information about nearby vacant storefronts; they also, on occasion, had bought their stores from Latinos (Levitt, 1995). Immigrants located in or near co-ethnic communities also appear to have an easier time finding jobs in times of higher unemployment (Zhu, Liu, & Painter, 2013). Meanwhile, immigrants who specialize in real estate, construction, and property development can have an outsized role in directing the creation of an enclave. As Light (2002) observes, "Koreatown [in Los Angeles] was being built without American banks and without American entrepreneurs"—the developers who encouraged settlement and business formation in Koreatown were almost exclusively Korean and Chinese.

The formation of the enclave, and the actions of those contributing to the enclave, can be explained by the sociological concepts of "bounded solidarity" and "enforceable trust," both of which lead to the formation of social capital (Portes & Sensenbrenner, 1993). "Bounded solidarity," an idea derived from Marx, arises when a group of people

facing similar adversities are able to forge a collective sentiment alongside, and sometimes more dearly held than, their own individual self-interest. Portes and Sensenbrenner cite an example from Glazer (1954): immigrants from Sicily who prior to emigrating had thought of themselves as Sicilians, not Italians, but came to re-define themselves and find a new solidarity with immigrants from northern Italy. The enclave, is thus supported by the entrepreneurs who see their role as not only economic but social and community-minded: they have a "stake" in the community and thus an obligation to contribute to it (Zhou, 2004). (Again, this is in contrast to the idea of the middleman-minority entrepreneur, whose focus is more personal and short-term.)

Levanon (2014) offered some more recent empirical testing of the "bounded solidarity" idea, testing it and two other group characteristics (collective socioeconomic advantage and enforceable trust) versus four external conditions (local labor market conditions, support for refugees, "social distance" between the minority group and the dominant majority, and competition within the local labor market from other minority ethnic groups) on 2000 Census data. The results were mixed: socioeconomic advantage, particularly in the form of language proficiency, came out as the most potentially significant factor.

If the community that emerges has "enforceable trust," that means that it can compel individual actors to shape their behaviors as demanded by the community's web of networks. The combination of the two—a loyalty to a larger community, and a willingness to opt in to shared behaviors—can help create an ethnic enclave, as participants are thus encouraged to look within the community for employees, credit, and customers.

3.4.4 Disadvantages Outside and Within the Enclave

There are potential disadvantages to operating outside of the ethnic enclave, namely distance from a potential co-ethnic market; from fellow co-ethnic entrepreneurs who may otherwise function as sources of information, supplies, and funding; and from potential co-ethnic employees (Fong, Chen, & Luk, 2007). The literature thus usually portrays participation in an ethnic enclave as beneficial. Valdez (2008) has offered a similar critique: her comparison of earnings from black-owned, white-owned, Korean-owned, and Mexican-owned businesses led her to conclude that, while higher levels of social capital can make entrepreneurship easier, higher levels of social capital did not lead to greater business success; social capital could not be used as a substitute for human or financial capital.

Meanwhile, as Fong, Anderson, Chen, and Luk (2008) point out, not every minority-owned business has the same relationship to co-ethnic employees or customers. A manufacturing firm, for example, may not need to be accessible to a co-ethnic customer audience as would a retail shop or a restaurant. Smaller firms may also be more likely to locate in the enclave than larger firms (Fong, Chen, & Luk, 2012). A second case study, of owners of Latino-cuisine restaurants in Cobb County, Georgia, found that the businesses adapted to a more geographically far-flung Latino population by relying less on a co-ethnic clientele (Hoalst-Pullen, Slinger-Friedman, Trendell, & Patterson, 2013). Similarly, Shinnar, Aguilera, and Lyons (2011), surveying Korean-American, Mexican-American, and African-American firms, found that minority-owned firms with more diverse client bases outperformed similar firms serving a primarily co-ethnic

audience. They reiterate Fong et al.'s point that co-ethnic client bases will be more valuable in some industries than in others.

Another problem with emphasizing ethnic enclaves is that not every enclave is going to be similarly equipped with information and resources. A comparison of Polish and Somali immigrant communities in Toronto found that entrepreneurs in the former group, which had been in Toronto longer and was more firmly established, had more access to startup capital and information (Lo, Teixeira, & Truelove, 2003). Portes and Landolt (1996) made the same point more broadly: "When social capital and the benefits derived from it are confused, the term merely says that the successful succeed." Thus the mere presence of an ethnic enclave does not guarantee greater economic and informational resources for participants in the enclave.

The third caveat while emphasizing the role of the ethnic enclave as a resource for immigrant entrepreneurs is that not every immigrant will have equal access to the benefits offered by the enclave. Immigrants of a different ethnicity might be deliberately excluded by enclave practices, as Li (1998) found with Indonesians working for Chinese immigrants in the San Gabriel Valley.[15] The large role played by Protestant churches in supporting Korean-American enclaves implies more limited access for non-Protestant Korean immigrants. Even co-ethnicity does not guarantee access to an existing enclave.

[15] Another, albeit non-academic, example of research on the exclusion of non-co-ethnic workers is the 2015 *New York Times* article "The Price of Nice Nails," which described the poor treatment of workers, mostly Chinese and Latina immigrants, at New York City nail salons. The article described an "ethnic caste system" in an industry where 70% of salons had Korean or Korean-American owners: "In general, Korean workers earn at least 15 percent to 25 percent more than their counterparts, but the disparity can sometimes be much greater, according to manicurists, beauty school instructors and owners…. Many Korean owners are frank about their prejudices." (Maslin Nir, 2015)

Cubans who arrived in Miami in the wake of the 1980 Mariel boatlifts were regarded with some distrust by Cubans who had fled Cuba earlier, the latter group regarding the former as insufficiently anti-Castro. The "character loans" that had helped Cubans in the pre-Mariel enclave were not extended to the *marielitos* (Portes & Puhrmann, 2015). In fact, this divide had been presaged: a Miami banker speaking to Portes and Stepick (1993) told them,

> At the start, most Cuban enterprises were gas stations, then came grocery shops and restaurants. No American bank would lend to them. By the mid-sixties we started a policy at our bank of making small loans to Cubans who wanted to start their own businesses, but did not have the capital. These loans of $10,000 or $15,000 were made because the person was known to us by his reputation and integrity… In 1973, the policy was discontinued. The reason was that the new refugees coming at that time were unknown to us.[16]

Finally, there is a Marxist line of criticism that describes the ethnic enclave as a mechanism by which some entrepreneurs attain financial and class gains at the expense of their co-ethnic audience. Light and Bonacich (1991) concluded their study of the Korean ethnic enclave in Los Angeles by warning that, although entrepreneurship within an enclave might contribute to ethnic solidarity, it also "serves as a profoundly conservative force, leaving unchecked the worst consequences of capitalist social relations." This criticism is echoed by Agius Vallejo and Canizales (2016), who accuse the Latino and Latina professional entrepreneurs of exploiting the poorer Latinos they

[16] Quoted in Portes and Sensenbrenner (1993). It is not clear from the excerpt whether the banker was reporting the loans at the time they were given or adjusting for inflation. A $15,000 loan in January 1967 would have been the equivalent of a loan of more than $65,000 in 1993 dollars and more than $110,000 in 2017 dollars.

provided services to, although the interviewees themselves spoke of their work as providing services to an underserved market and strengthening the community.

3.5 Financing and Information Resources

Thus participation in an enclave is not the solution for every problem an immigrant entrepreneur might face; and not every immigrant entrepreneur will have access to an enclave. Moreover, not every enclave will be able to support the collective trajectory of its participants as did the Cuban enclave in Miami or the Korean enclaves in Los Angeles and New York. Waldinger and Aldrich (1990), in their discussion of ethnic entrepreneurship in the United States, took some time to discuss why black neighborhoods may not be able to support black-owned businesses, citing a lack of community wealth exacerbated by declines in employment opportunities.[17] Even informal financing strategies in successful entrepreneurial communities are not without their drawbacks: rotating credit associations, often cited in the literature as a key driver of Korean-American entrepreneurship in the 1970s and 1980s, offered high interest rates and no legal recourse should a member default (J. Lee, 2007). Therefore there remains a need for some kind of formal financing. This section will discuss government-backed financing programs aimed at helping disadvantaged entrepreneurs, as well as banks and community-based organizations that specifically target particular immigrant groups.

[17] The literature on black entrepreneurship is rich in its own right, and largely outside the scope of this paper. For a more recent example of looking at black entrepreneurship while accounting for factors of industry trends, location, social capital, and discrimination while seeking financial capital, see Harper-Anderson (2017) on black professional-services entrepreneurs in Chicago.

3.5.1 Government-Backed Financing Programs

A 2005 survey of financing options for small enterprises (enterprises with $50,000 or less in annual revenue, or five or fewer employees) found the market dominated by banks, with borrowers with little credit history and borrowers with language or cultural barriers underserved (Grossman, Chen, & Chapel, 2005). Moreover, a third of firms less than four years old relied on credit cards (Grossman et al., 2005), which suggested that many new entrepreneurs were facing relatively higher interest rates. Small businesses' need for credit has led to multiple government initiatives, such as the 7(a) loans offered by the SBA. However, as noted earlier, minority entrepreneurs are rarely the recipients of such loans; their need for credit is a less tractable problem to solve.

As Fairlie and Robb (2008) point out, there are hundreds of non-profit and government-backed groups providing loans, training, or technical assistance to disadvantaged entrepreneurs; most of these programs target access to capital. One of the most common type of government-backed assistance is that provided by Community Development Financial Institutions (hereafter CDFIs), a program begun in 1994 and managed by the U.S. Department of the Treasury. Designated institutions, including banks and nonprofits, can apply for CDFI funding to make loans to underserved communities. Although the program was created with economic development as a goal, the CDFI Fund is not limited to business loans only; CDFIs can and do make personal loans and mortgages. As of 2013, there were more than 800 certified CDFIs nationwide, of which two-thirds were loan funds, 22% were credit unions, and 9% were banks or thrifts (Swack, Hangen, & Northrup, 2014).

Many CDFIs also provide some sort of non-financial aid to their clients, such as business or financial training. Patraporn (2015) describes how a CDFI might work with an applicant, based on interviews with twelve Los Angeles CDFIs serving a predominantly South Asian clientele. The applicant would first have to be screened; if the CDFI judged the opportunity viable, its employees would assist the applicant with loan paperwork, address any outstanding financial concerns, and provide monitoring and further assistance, if necessary, after the loan. On average this could mean 10 to 60 hours' worth of work per client for both the screening and the loan-writing process. Given that many of the interviewed organizations' clients had already been turned down by a bank at least once, it is fair to suggest that these CDFIs spend time and cultural resources on their co-ethnic clients that mainstream banks might not have, or find worth spending.

But the CDFI program is very small. Between 2003 and 2012, a group of 333 CDFIs reported making a total of $2.04 billion in business loans, alongside $1.63 billion in home-improvement or home-purchasing loans, $2.03 billion in residential renovation loans, and $1.2 billion in commercial renovation loans (Swack et al., 2014). This is in contrast to the estimated total $588 billion in outstanding small business loans, only counting loans of $1 million or less, at the end of 2012 (U.S. Small Business Administration Office of Advocacy, 2013). Participating institutions are only required to report transaction-level data for the three years following the awarding of CDFI funds, making it difficult to gauge the role CDFI funding plays in lending activity over time. Institutional-level data showed that CDFI funds made up about 8.8% of the total equity of participating institutions, with other government funding contributing a further 7.9% (Swack et al., 2014).

Bates (2000a) was pessimistic about the ability of CDFIs to do much in the way of helping minority-owned small businesses. Something similar, he argued, had already been tried with the Minority Enterprise Small Business Investment Companies (hereafter MESBICs). Their customers were, in fact, minorities, including Asian immigrants in Los Angeles and New York. Yet as for-profit firms, MESBICs were hard-pressed to act as successful incubators for risky small businesses. Some made very few loans; others refused to make loans of less than $50,000, which would have been too large for many potential borrowers to afford; still others chose to engage in "asset-based" lending, such as making loans to New York City cab drivers to buy the famous "medallion" licenses. "The industry as a whole is unprofitable," Bates concluded. In a follow-up article, Bates decried CDFIs as "token gestures rather than serious attacks on the causes of economic underdevelopment in the inner city," pointing out that the SBA had not made much effort to measure the impacts of MESBICs (Bates, 2000b). But government-backed loan programs are, in something of a quandary: to target more disadvantaged lenders means risking greater defaults, and greater defaults threaten to whittle away at the political will supporting the lending program in the first place (Waldinger, Aldrich, Bradford, et al., 1990).

Meanwhile it can also be difficult to gauge how easily immigrant entrepreneurs can access CDFI-funded loans. Speaking generally, although the advancement of loans onto online platforms (and, more recently, the rise of peer-to-peer and fundraising websites[18]) has given a small number of business owners new options, the vast majority

[18] To date there is not a lot of literature to find on how minority entrepreneurs use crowdfunding tools and how their experiences might differ from non-minority entrepreneurs. An exception is Younkin and

tend to seek loans from banks geographically nearby (Brevoort, Holmes, & Wolken, 2010). CDFIs in particular tend to operate in central cities (Immergluck, 2008), which could make them less accessible to immigrants in suburban neighborhoods, especially in new gateways such as Atlanta where so much of the growth in immigrant population has been suburban. Moreover, many CDFIs do not collect data on the ethnicity of their borrowers (Mudd, 2013), making it difficult to assess how much business they do with Latinos.

3.5.2 Ethnic Banks and Community-Based Organizations

Immigrant entrepreneurs are often less likely to have a credit history or a checking account (Bowles & Colton, 2007). They may be used to thinking of banks as untrustworthy, unable to translate their previous banking experiences to a credit history legible to American credit-ratings bureaus, or simply unfamiliar with and intimidated by the banking system. In 2003 Federal Reserve researchers estimated that a quarter of Latino households were "unbanked" (Perry, 2008). But such lack of familiarity or trust can be overcome with a strong enough education mechanism. A survey of housekeepers and cleaners in Las Vegas, many of them Latina immigrants, found that 78% had a checking account and 72% used direct deposit. The researchers noted that the local domestic workers' union had implemented a program to educate its members about using checking accounts (Young, Shinnar, & Choi, 2009).

Kuppuswamy (2017), who found that black business founders using crowdfunding websites were less likely to get funding than were white business founders offering similar projects; that users were more likely to rate black business founders' projects as of lower quality; and that the effect disappeared when information about the race of black founders was hidden.

In the literature, banks created specifically to address the needs and customs of recent migrants are referred to as "ethnic banks." The first such bank created specifically to support a co-ethnic community, was founded by Japanese-Americans in Los Angeles at the turn of the 20th century (Li et al., 2006). As of the early 2010s there were about 200 minority-owned banks in the United States, of which about half were Asian-owned (Hum, 2011). Although such banks are more likely to focus on real-estate lending, especially commercial real estate, than business loans, they nevertheless "appear to be instrumental actors in an immigrant growth coalition comprised of developers, contractors, realtors, and community elites including nonprofit community development corporations" (Hum, 2011). They also may sponsor local community events, thus reinforcing the geographic and social associations between the ethnic community and the ethnic bank (Li, Lo, & Oberle, 2014).

In an interview, the founder of a Latino-owned bank in Los Angeles summarized the distinct role of the ethnic bank in community formation:

> The bank is a critical component of a successful community. Leveraging capital is a powerful tool. We have a role to reinvest in the community. When you think about it, the role of banks can play a vital role for communities and groups. It is not just about the bottom line for us, not just a business imperative but more about how do we build a sound and total community. How do I mind that community and be responsive? I mean, when we took a look at the community and if you map out the disparities you see that there is a lack of community banks and so we had to start our own bank. (Agius Vallejo, 2015)

Ethnic banks use their connections to the local co-ethnic community to employ risk-management strategies not typically used by non-ethnic banks. This can allow them to serve co-ethnic customers who lack experience with standard American banks and therefore have less credit history. They may be more willing than traditional banks to offer alternatives to the standard credit rating, such as having community members serve

as background references (Granier, 2006; Li et al., 2014). Some Korean banks, for example, are willing to use real estate held in South Korea as collateral for loans made in the United States (Zonta, 2012). Borrowers, in turn, may feel a social obligation, as well as a financial one, to repay the loan (Patraporn, 2015). Indeed, "relationship banking" can be an important feature that the ethnic bank can sell to its co-ethnic community (Li et al., 2006). But not all ethnic banks are built out of ethnic enclaves; in recent years the Asian-bank market has included the entry of local branches of larger banks headquartered in China or Korea (Li et al., 2014).

Separate from, but similar to, ethnic banks are the presence of non-profit community-based organizations (CBOs) serving local communities. CBOs may offer seminars and other resources on financial literacy, homeownership, and business creation; like ethnic banks, they may also be in a position to interpret co-ethnics' informal credit histories (Patraporn, Pfeiffer, & Ong, 2010). It should be noted that ethnic banks or ethnically-defined CBOs do not have a monopoly on using careful judgment and interpersonal relationships to gain information about borrowers in the absence of formal credit histories; Servon (1999) describes a non-ethnically-defined microenterprise program, the Women's Initiative, being able to take similar steps for its clients. Ethnic banks and ethnically-defined CBOs may, however, find it easier to offer such services to their co-ethnic communities than would a well-intentioned (and even well-financed) but non-co-ethnic CBO, simply because employees of the former would be more familiar with the co-ethnic community's cultural, linguistic, and social cues.

But these CBOs can be small themselves. A nationwide survey of 142 microenterprise programs in 2014, a quarter of which were CDFIs, and found that two-

thirds had four or fewer full-time employees (The Aspen Institute/FIELD, 2016). These programs, 61% of which served Latinos, also saw between themselves wide variations in loan loss rates (from 0% to 22%) and total cost recovery rate (0% to 67%, with the median at 16%). Like the MESBICs studied by Bates, these organizations are caught between the community need to support borrowers whom traditional banks would consider too high-risk, and the institutional obligation to keep from making too many loans that might not be recoverable.

3.6 Introducing Geographic Variables to Immigrant Entrepreneurship Research

The Chicago School model of settlement had immigrants first settling in a central city and only moving out to the suburbs once they had amassed a certain amount of wealth and/or become more assimilated into mainstream American culture (Li & Skop, 2007). But the changes in geographic settlement patterns have required researchers to rethink their classification of immigrant settlements. Rising housing prices in traditional immigrant destinations, and the availability of cheaper housing in the suburbs of expanding metropolitan areas in the southeastern and southwestern United States, helped drive immigrant settlement towards suburbs (Li & Skop, 2007; Light & Johnston, 2009).

The shift in migration patterns towards the suburbs has given rise to the "ethnoburb", as identified by Li (Li, 1998, 2005; Li & Skop, 2007). Like the ethnic enclave, the ethnoburb has multi-ethnic communities, including large immigrant or previously-immigrant groups, and high levels of self-employment and family-owned ventures (Li, 1998); unlike the enclave, the ethnoburb is primarily suburban, rather than

urban, and features concentrations of ethnic minorities with substantial financial resources and income stability. Early examples cited in the literature include Chinese-Americans in Los Angeles's San Gabriel Valley; Filipino-Americans in Daly City, California; Indian-Americans in Edison, New Jersey; and Vietnamese-Americans in the eastern suburbs of New Orleans (Li & Skop, 2007). In recent years, research on the idea of the ethnoburb, and the context for ethnoburbs, has expanded significantly. The comparative research done bySomashekhar (2018) looks at ethnoburbs in 28 different metropolitan areas featuring nine different ethnic groups: Asian Indian, Chinese, Filipino, Korean, Vietnamese, Jamaican, Mexican, Dominican, and Salvadoran.

Although ethnoburbs lack the spatial density of urban neighborhoods, they are generally assumed to include concentrations of co-ethnic economic activity. In their study of the increase of ethnoburbs between 1990 and 2000, Wen, Lauderdale, and Kandula (2009) use Li's definition of "ethnoburb," in which the ethnic community is not only highly suburbanized but also relatively wealthy, with median household income at the 75^{th} percentile or greater of household income across all census tracts nationwide. Patterns of entry and income attainment across ethnoburbs suggest that the factors that might push immigrants into entrepreneurship exist similarly in urban and suburban locations (Somashekhar, 2018).

Li, Dymski, Zhou, Chee, and Aldana (2002) suggest that Chinese-American banks, in their giving of mortgage loans, played a part in concentrating Chinese-Americans in a particular neighborhood in the San Gabriel Valley. Subsequent research in the Los Angeles area showed that Asian aspiring homeowners were more likely to work with Asian-owned banks, and that those banks were more likely to approve loans in

Asian enclaves (Zonta, 2004). Geographic settlement patterns are thus not necessarily something that happens exclusively *to* minority and immigrant communities, but also *within* and *by* minority and immigrant communities. Li et al. ended up calling for a "a comprehensive reexamination of the trajectory of minority banking from a geographical perspective."

As the idea of the ethnoburb illustrates, changes in geography and settlement patterns and changes in political and economic organization go hand in hand. The idea of the ethnoburb draws on the idea of "heterolocalism" (Zelinsky & Lee, 1998), which suggests that co-ethnics may be able to create and sustain the idea of an ethnic community in the face of spatial dispersion. Rather than held together by geographic concentration, these heterolocalist communities are held together by organizations and social events, such as churches, business associations, service clubs, and festivals. This is in contrast to the assertion of Zhou (2004) that an enclave "requires a physical concentration within an ethnically identifiable neighborhood."

The implications for these shifts for theories of immigrant settlement and entrepreneurship are far-reaching. Spatial theories of assimilation, for example, assume that moving to the suburbs will mean immigrants are in closer and more frequent contact with the white, native-born population; but with the rise of concentrated immigrant populations in the suburbs, that is no longer a given (Liu & Painter, 2012). Moreover, different ethnic groups may experience different levels of segregation or contact with other groups depending on whether they are at home or at work. A study of the residential and work locations of different ethnic groups in Los Angeles found that Mexican-origin workers and white workers were more likely to "work together but live

apart." But other immigrant groups, particularly workers of Vietnamese and Iranian origin, were more likely to work alongside co-ethnics (Ellis, Wright, & Parks, 2004). Since suburbanization sometimes—but by no means always—implies an increased distance between home and work, the interplay of suburbanization, work location, participation in an ethnic economy, and entrepreneurship is complex and in need of greater attention.

Liu (2012b) suggests four sets of contextual factors to consider when evaluating opportunities within a metropolitan area for native-born and foreign-born populations: the spatial structure, economic structure, and social environment of the metropolitan area and its various neighborhoods, and the amount and spatial pattern of ethnic concentration. A co-ethnic group of immigrants in the suburbs, for example, might have a different ability to share resources than one in a central city. They may also have different resources to begin with: "…in emerging gateways such as Atlanta," Liu observes, "self-employment is not necessarily a way out of poverty among the newly arrived immigrants; rather, it is a ladder towards greater economic achievement among the established and advantaged immigrants."

Similarly, Qingfang Wang, in a series of papers (Q. Wang, 2012, 2013a, 2013b; Q. Wang & Li, 2007), has called more generally for immigrant-entrepreneurship researchers to incorporate geographic variables into their analyses, and specifically for research to take into account these more recent shifts in settlement patterns. Her overall critique is that studies of immigrant entrepreneurship have not taken multiple geographic scales into account: the immigrant entrepreneur may be studied in the context of the family, or the enclave, but not the enclave in relation to the local urban settlement pattern

and the city and the metropolitan area. This is particularly important with the rise of "new gateways," since the infrastructure of traditional gateways may be more suited to supporting ethnic enclaves (Q. Wang, 2013b), while immigrants in newer gateways may lack the spatial concentration to create the business incubators of enclaves elsewhere (Q. Wang, 2013a).

In a sense, the literature on immigrant and minority entrepreneurship has created its own biases. Take the emphasis on ethnic enclaves: researchers, assuming that minority entrepreneurs are largely marketing to co-ethnics, emphasize enclaves when looking at the location of minority-owned businesses, and so minority and immigrant businesses get theorized and understood in the context of the enclave (Fong et al., 2008). But this raises the question of what strategies immigrants without access to a spatially concentrated enclave use. Q. Wang (2013a), contrasting the more established ethnic economy of Miami with the relatively new gateway of Atlanta, found that Latino-owned businesses were "thriving" in the former but not the latter, and suggested that Atlanta's Latino entrepreneurs were suffering from the lack of a more spatially concentrated community to act as a business incubator.

Examining geographic and spatial differences has opened up a new set of research questions. A series of papers on the citing of minority-owned businesses in greater Toronto (Fong et al., 2008; Fong et al., 2007, 2012) examined the question of where such businesses locate *within* a metropolitan area. The research suggested a typology of three different types of minority neighborhoods: the standard enclave (which, the authors emphasize, features a larger proportion of *recent* immigrants); the "ethnic-clustered" neighborhood, neither as concentrated nor home to as many recent arrivals as the enclave;

and the “minority” neighborhood, in which most residents are not members of the dominant ethnicity, but no one particular minority ethnicity is the majority (Fong et al., 2008).

Immigrants trying to start a business in the suburbs might face a different business environment than they might in the city, with less foot traffic and greater auto dependency among customers, lower rents, and lower-density land use (Liu, 2012b). The rise of malls populated with co-ethnic businesses, designed to target a co-ethnic audience (Preston & Lo, 2000), is one example of immigrant entrepreneurship adapting itself to the local spatial context. Another would be the contrast of Korean banks expanding out of initial enclave locations in Los Angeles and New York, in contrast to Washington, D.C., where the lack of a previous visible concentrated enclave has made it harder for Korean banks to expand (Zonta, 2012).

Oberle (2006) has called for the further exploration of the small store as not only an economic space, but a social one, and an economic and social space whose value comes in part from its role as a transnational conduit, helping participants connect with each other and with the home country or region. Similar points have been made about incorporating social and cultural variables into study of the “new retail geography” (L. Wang & Lo, 2007), in which the grocery store sells not only, say, Chinese food, but the particular known styles and experiences of Chinese grocery stores. The integration of profit-making, creation and support of social spaces, and co-ethnic pride blend into what Chacko and Price (2015) call “ethnic sociocommerscapes,” a phenomenon they identify as largely suburban. Ethnic sociocommerscapes have inspired such research as Preston and Lo’s discussion on how Asian-themed malls differ from other suburban commercial

landscapes (2000) or Oberle's comparison of Latino commercial landscapes in Des Moines and Chicago (2015). Oberle's work is of particular interest in terms of geographic and metropolitan comparisons, as he admits that the typology developed in his previous work in Phoenix does not graft well onto the storefronts of the Midwest neighborhoods.

Meanwhile, one research study to look specifically at the question of Latino business network formation in the absence of a traditional urban ethnic enclave was that of Welch (2010); the setting for this research was Ottumwa, Iowa, which as of 2006 had a total of eighteen Latino-owned businesses. More crucially for the purposes of Welch's research, the businesses owners were of varying national origins: Mexican, Salvadoran, Guatemalan.

Finally, one other geographic element of immigrant entrepreneurship that has been under-discussed is the role the local government plays in shaping entrepreneurial opportunities and commercial investment patterns (Chacko & Price, 2015). Such involvement can be explicitly negative, such as the broader anti-immigration policies described in the previous chapter, or city development agencies' bias towards developing more "American" firms (Tseng, 1995). Or it might be an incorporation of ethnic enclaves and commercial developments into broader commercial and marketing efforts, as evidenced in Qadeer's wry observation about how multicultural cities like to boast about the different cuisines they offer (2016). Tourism studies may offer an avenue towards examining how immigrant entrepreneurship and ethnic enclaves are marketed by agencies outside the enclave itself, such as in Rath (2007). Liu, Miller, and Wang (2014) point out that the role of ethnic businesses in shaping, and often revitalizing, local

communities has largely gone unappreciated by local economic development agencies, even as such agencies promote small business development and local entrepreneurship.

3.7 The Literature on Latino Entrepreneurs

While the immigrant entrepreneurship literature prior to 1980s rarely mentions Latinos in the United States, the increase in the Latino population has prompted greater attention from researchers. As is true for immigrant-entrepreneurship as a whole, a large portion of that research has come in the form of case studies. The best-known case of Latino entrepreneurship in a particular metropolitan area is that of Cuban emigrants to Miami, first explored by K. L. Wilson and Portes (1980) and later the foundation for Portes and Sensenbrenner's proposal of "bounded solidarity" arising in an ethnic enclave (1993). But case studies have also been published on Dominican and Puerto Rican entrepreneurs in Boston (Levitt, 1995), Latino business owners in Las Vegas (Shinnar & Young, 2008), Mexican and Mexican-American entrepreneurs in south and central Texas (Ballesteros, 2017; Pisani, Guzman, Richardson, Sepulveda, & Laulié, 2017) and in Chicago (Bond & Townsend, 1996; Raijman & Tienda, 2000b; Tienda & Raijman, 2004), Colombian entrepreneurs in New York and New Jersey (Gaviria Duque, 2012), and Latino entrepreneurs in Iowa (Welch, 2010).

This section will highlight findings from the literature to date on Latina/o entrepreneurs from this prior research, guided by the motifs of the general immigrant-entrepreneurship literature previously reviewed. Thus it will look at: why Latinos become entrepreneurs; how Latino entrepreneurs enter ethnic enclaves; how community

development often occurs as a goal of Latino entrepreneurship; and the particular informational and financial challenges faced by Latino entrepreneurs.

3.7.1 Latinos: Pushed or Pulled into Entrepreneurship?

One question frequently investigated by researchers into Latino entrepreneurship is whether the entrepreneurs being studied were responding to opportunity or acting out of necessity. Gaviria Duque (2012) examined the push-pull question via a case study of Colombian and Colombian-American entrepreneurs in greater New York City. She distinguished between the decision to emigrate to the United States and the decision to start a business: the Colombians she interviewed frequently felt pushed to leave their home country, but once in the United States, were pulled to start businesses instead of seek wage employment. However, since Gaviria Duque was working with an organization set up to help Colombian entrepreneurs, there may have been some selection biases, in that the entrepreneurs who participated in her study may have been particularly motivated both to start a business and to seek help for it. Of the Latino immigrant entrepreneurs in greater Las Vegas interviewed by Shinnar and Young (2008), more than half gave "pull factor" reasons for starting a business, such as wanting to make more money or wanting greater flexibility; half had previously owned a business. Another poll found high support for pull factors among both entrepreneurs of Mexican origin and not of Mexican origin (Shinnar, Cardon, Eisenman, Zuiker, & Lee, 2009). Again, though, the risk of selection bias remains an issue: entrepreneurs answering a researcher's questions, regardless of their economic or ethnic background, may find it psychologically easier to talk about themselves as being pulled, rather than pushed, into their current work.

By contrast, several of the Latinos from New York and New Jersey interviewed by Edgcomb and Armington (2003) engaging in informal work, frequently piecemeal, to supplement their regular incomes, expressed a desire for steady well-paying wage work instead. This series of structured interviews is one of the few documented and undocumented entrepreneurs, highlighting how the employment options of the latter were considerably more limited; that group was, not surprisingly, more likely to cite push factors in their decision to self-employ.

Meanwhile, Mora and Dávila (2006) looked at the push-pull question for a different group of Latino immigrant entrepreneurs: Mexican immigrants in towns near the U.S.-Mexico border. They hypothesized that this group would be subject to both push factors (high local unemployment and low wages) and pull factors (lower transaction costs in addressing Mexican and Mexican-American demand). They found some support for the push explanation: self-employment levels among Mexican immigrants were higher in border-adjacent towns with higher unemployment rates. But, they noted, it was possible that Mexican immigrants were staying in border towns and self-employing rather than venturing further into the United States in search of work.

Finally, Pisani et al. (2017), like Mora and Dávila, focused on entrepreneurs near the U.S.-Mexico border; but whereas Mora and Dávila used quantitative data, Pisani et al. conducted interviews with 298 business owners in four Texas counties: Cameron, Hidalgo, Starr, and Willacy. These four, they note, are not only majority-Latino, but one of the poorest areas in the continental United States; 43% of their interviewees had household incomes of less than $25,000. Half the respondents reported having started their business out of necessity. But even within this group, the opportunity-driven

entrepreneurs were more likely to be fully documented (12% of respondents were not), to use English at the business, and to have more family connections within the United States. “The greatest monetary rewards for Latino entrepreneurs in South Texas,” the authors conclude, “go to fully documented operating opportunity-driven firms.” Similarly, the entrepreneurs interviewed by Ballesteros (2017), also in south and central Texas, largely said they were pulled into entrepreneurship. But Ballesteros’s respondents were, as a whole, much wealthier than those interviewed by Pisani et al.; all but three ran employer firms, as opposed to only 48% of the border-adjacent respondents; all were found via Hispanic Chambers of Commerce in Austin, San Antonio, and Corpus Christi; and Ballesteros conducted all her interviews in English. Even within Latino entrepreneurs, differences in English comfort level, education, and access to financial capital will affect whether a given entrepreneur is pushed or pulled into starting a business.

3.7.2 Latino Entrepreneurs in Ethnic Enclaves

The literature on Latinos in ethnic enclaves is mixed. As discussed earlier, studies of Cubans and Cuban-American in Miami contributed significantly to the development of the idea of the ethnic enclave overall; and there are other examples in the literature of Latinos benefiting from participation in an enclave. More generally, separate from entrepreneurship, there is evidence that living in an enclave helped Latinos to find employment more quickly during the Great Recession (Zhu et al., 2013). Enclave participation might then help mitigate necessity entrepreneurship. Q. Wang (2013a) compared Latino-owned businesses in Miami to those in Atlanta and found that the

former were “thriving” while the latter lacked a concentrated co-ethnic community to serve as a business incubator.

Raijman and Tienda (2000b) have described how Little Village’s Mexican-origin enclave facilitated entrepreneurship. Eighty-three percent of the businesses reported hiring employees from Little Village; half were described as family businesses, though 70% employed at least one non-family member. Nearly half of the owners who had previously worked for a co-ethnic said that their previous firm was in Little Village, indicating that the enclave offered at least some opportunities for aspiring entrepreneurs to learn from current business owners. But Raijman and Tienda found this training base “relatively small,” and suggested that informal businesses were also a way for entrepreneurs to prepare.

For recent immigrants with little credit history, the enclave can also offer an alternative, in the form of community contacts with co-ethnics willing to vouch for the new entrepreneur (Granier, 2006). Aaronson, Bostic, Huck, and Townsend (2004) used the extension of credit as a way to measure the strength of social networks between business owners and their suppliers. Comparing business owners in Little Village, a largely Latino neighborhood of Chicago, with their counterparts in Chatham, a nearby black neighborhood, they found that the former group were more likely to receive both trade credit and discounts from suppliers than the latter. Co-ethnic relationships seemed to facilitate the giving of credit, especially for Latino business owners less proficient in English, who were more likely to receive credit if working with a Latino supplier. A study of Mexican male immigrants to the United States, based on 2000 Census data,

found they were more likely to self-employ if they were in an enclave (Fairlie & Woodruff, 2010).

Enclaves may also help Latino entrepreneurs start transnational businesses. Landolt, Autler, and Baires (1999), looking at Salvadoran immigrants to the United States in Los Angeles and Washington, D.C., identified five different types of transnational enterprise: the "circuit" enterprise, embodied in informal couriers who took money and correspondence back and forth between El Salvador and the United States; "cultural" enterprises selling "Salvadoran-ness" to immigrants, such as Salvadoran newspapers and radio stations; "ethnic" enterprises, such as restaurants, that employed Salvadorans exclusively but sold to a larger audience; enterprises founded by return migrants in El Salvador; and "transnational expansion," in which existing Salvadoran businesses open franchises in the United States. A second survey in New York, Washington, Los Angeles, and Providence found that transnationalism was most prevalent in retail and business services, and that establishing and sustaining a transnationalist business required a certain minimum of resources and stability in the host country (Portes, Guarnizo, & Haller, 2002). Transnational businesses also appeared among Nicaraguans in southern Florida in the 1990s, although Cervantes-Rodriguez (2006) paints this less as an example of opportunity entrepreneurship and more a

combination of the migrants' limited wage-economy opportunities and their desire to maintain connections in Nicaragua.

But the literature is not unanimous that being in an enclave helps Latino entrepreneurs. Aguilera (2009) posits a counterargument: what if being in an ethnic enclave limits the entrepreneur's choices? An individual business owner might be socially pressured into acting counterproductively, for example, or the number of business owners might be greater than the enclave itself can support. Comparing different Latino-immigrant enclaves (Cubans in Florida, Mexicans in California and Texas) with data from the 2000 Census, he found that self-employed Latinos within the enclave actually suffered an income penalty.

There are scattered hints throughout different studies that Latino entrepreneurs have a harder time accessing the support an enclave provides than have Asian-American enclave entrepreneurs. For example, Latino entrepreneurs studied by Chang et al. (2009) were not influenced by external support systems, such as potential government programs, outside their immediate family; such external support was simply not available enough to be a contributing factor in their decision-making. A follow-up study (Muñoz et al., 2011) recommended providing "out-of-the-box" programs to Latino entrepreneurs growing micro-businesses: taking advantage of business owners' own knowledge by setting up

collaboration, or offering personalized aid and building trust by coming to the owners' own place of work. This is the kind of help that would, in an enclave, be provided by other business owners, or perhaps institutions created to serve the growing enclave, such as ethnic banks. Liu's study of the PSED (2012a) found that Latino respondents were less likely to agree to statements that their community encouraged entrepreneurial risk-taking, that community groups provided support for starting a new business, and that community leaders often owned their own business.

Allen and Busse (2016) added some nuance to the question of Latino entrepreneurs in enclaves by looking at three different shopping malls in the Minneapolis metropolitan area that catered primarily to Latinos. The three varied in the formality and language use of their signage; in their layout; in their ownership (one was a cooperative organized by the city of Minneapolis and several local non-profit organizations); and in their customer base. The authors suggest that the three different shopping centers fulfill three different roles within the larger Latino commercial community: one has the additional function as a communal, Spanish-speaking social space (including informal child care for the store owners); another, where business primarily in English, appeals more to native consumers who might be looking for a more distinctly "exotic" or "Latino" experience; and the third, with a mix of Spanish and English use, functions

more as a transitional space with a greater mix of foreign-born and native-born customers.

Taken together, this literature suggests that Latinos' ability to benefit from an ethnic enclave will be mediated by the local environment, including the composition of the enclave and participants' access to capital. County of origin may also play a factor: unlike a predominantly Korean (or Cuban, for that matter) enclave, a "Latino" enclave may host entrepreneurs from a dozen different countries, not all of whom necessarily speak Spanish as a first language. Differences in country of origin may lead to a lack of trust between participants that might otherwise be assumed within the same community (Welch, 2010). In Welch's case study of eighteen Latino entrepreneurs of different countries of origin in Ottumwa, Iowa, the business owners were able to develop a network over time, but the catalysts for bounded solidarity provided by an enclave—promotion of existing cultural ties, the possible providing of shared spaces to meet, the presence of community-based organizations—were not present; rather, the network had to be started by one member facilitating the network based on personal trust and facilitating meetings.[19]

[19] Apparently the development of a Latino community in Ottumwa has continued: in 2015 the city hosted its first Latino Festival. Explaining the festival to the *Ottumwa Courier* a year later, David Suarez, identified as "Community 1st Credit Union's bilingual community development manager," said: "During

What is less ambiguous in the literature, though, is the idea of Latino entrepreneurs aiming to contribute to the larger community through their business ventures. Writers such as Portes and Zhou (Portes & Zhou, 1996; Zhou, 2004, 2014), in making the case for ethnic entrepreneurship, have often emphasized the social and community-building aspects of entrepreneurial success, including arguing that it should be factored into scholarly discussions of financial returns to entrepreneurial activity. Latino business owners may go on to become community leaders and elected officials (Delgado, 2013). Along similar lines, case studies of three majority-minority neighborhoods in Atlanta, Los Angeles, and New York City, detailed how ethnic businesses influenced not just the economic and physical but also the social and political development of the surrounding communities (Liu, Miller, et al., 2014).

Latino co-ethnic solidarity as expressed by philanthropy is discussed in more detail in a case study by Agius Vallejo (2015) consisting of interviews with 45 middle- and upper-class Latino professionals in Los Angeles. Examples of philanthropic, community-focused activity given by her interviewees included endowing scholarships for low-income Latino students; promoting charter schools in lower-income Latino communities; and founding a Latino-owned bank which explicitly seeks long-term

---

the festival you can see performances from different countries not only from Mexico. It's good to try to understand the diversity inside the diversity." ("Celebration this Saturday: Latino Festival," 2016)

relationships with Latino business owners. Even if they themselves were reluctant to discuss discrimination in their own histories of upward mobility, they cited observation of discrimination and structural barriers faced by co-ethnics as motivating their philanthropic efforts.

Latino-owned businesses also play a role in social network and community reinforcement *within* the business, regardless of what the owner does when not working. The *tienda* is often described as more socially oriented than its non-Latino-owned equivalent, the grocery store, with more personal treatment of the customer (Delgado, 2013; Levitt, 1995). Latino-owned stores may also reinforce communities of sub-groups within the larger Latino community, such as advertising a particular hometown, region, or cuisine—thus restaurants and *carnicerías* might not advertise themselves as "Mexican" but Sinaloense (Oberle, 2006; Oberle & Arreola, 2008). The idea of the community even shows in nascent entrepreneurship surveys, where Latinos—and low-income aspiring entrepreneurs in general, for that matter—are more likely to cite motivations related to "respect" (such as building a business children can inherit, or following in the footsteps of someone they admire) than purely financial motivations (Liu, 2012a).

Ethnic enclaves are usually defined by the business activities controlled by co-ethnics, such as employment, vertical integration (co-ethnic-owned firms operating at various points on the supply chain), and concentration in a particular industry. Therefore contributing to community development is not the same as forming an ethnic enclave. However, this literature shows that the ideas that power the ethnic enclave—co-ethnic

solidarity, entrepreneurs' sense of responsibility, the emphasis on social and non-monetary rewards of operating a business—also power the environments that lead to entrepreneurs making community development a priority.

3.7.3 Latino Entrepreneurs Facing an Informational Gap

A recurring theme of the literature on Latino entrepreneurs is their lack of access not only to financing but to information that would be helpful for starting and maintaining a business. Such information can be broken down into two categories: more general business knowledge—such as about attracting customers, keeping track of inventory and cash flow, and marketing—that would apply regardless of where the business was located, and information about licensing, taxes, and other legal regulations that is location-specific. For new migrants, experience of starting a business in the home country can provide the first category of business knowledge, even if they are at an immediate disadvantage with the second category in the host country. Of the Latino, largely Mexican-American, entrepreneurs in Chicago's Little Village neighborhood surveyed by Raijman and Tienda (2000a), 23.7% of the native-born and 33.3% of the foreign-born had previously owned a business. The Latino entrepreneurial population, like the Latino population as a whole, tends to be younger than the white non-Latino population, and correspondingly have less working or managerial experience. The Latino nascent entrepreneurs in the PSED survey had an average of 16.71 years of working experience and 7.08 years of managerial experience, as opposed to 22.23 years and 12.10 years, respectively, for the white non-Latino participants (Liu, 2012a).

The Colombian entrepreneurs interviewed by Gaviria Duque (2012) suffered not only from a lack of information about the host country but a lack of social ties that would

allow them to pass information among each other. Gaviria was working at the time with a group called ProMicro, created as a link between the Colombian consulate general in New York and local non-governmental organizations (NGOs) helping micro-entrepreneurs. The ProMicro program explicitly focused on providing its clients with information about how to start and maintain a business in the United States, as well as with links that would help them obtain capital. Similarly, a survey of entrepreneurs in Little Village, a mostly Mexican and Mexican-American neighborhood of Chicago, highlighted a lack of both financial capital and information handicapping local aspiring entrepreneurs (Tienda & Raijman, 2004).

Likely suffering from even greater isolation were the Latino entrepreneurs in western Arkansas interviewed by Moon, Farmer, Miller, and Abreo (2014), two-thirds of whom reported using only Spanish at their business. The respondents named lack of start-up capital as one of their biggest barriers, but also a lack of understanding of the generally accepted process of starting a business (such as banks' expectation that entrepreneurs would include a business plan with their loan application) and a lack of knowledge of the regulatory systems and licensing process that applied to their business. The study eventually led to a series of informational materials distributed by the University of Arkansas in both English and Spanish (Abreo, Miller, Farmer, Moon, & McCullough, 2014; Farmer, Moon, Abreo, Miller, & McCullough, 2010).

The case study conducted by Shinnar and Young (2008) of Latino business owners in greater Las Vegas shows how this lack of formal informational understanding may play out in action. Only a quarter of those interviewed reported having prepared a business plan; half selected the legal definition of their business on their own, without

counsel; a fifth had no accountant; only a quarter had a lawyer. Asked for what advice they would give aspiring entrepreneurs, a third of respondents recommended getting a business plan and 19% recommended getting a lawyer. Following up a year later, the research team learned that 11 of the 80 business surveyed had already closed; ten of those 11 had not had a business plan.

A second example of Latino entrepreneurs in need of business information comes from García-Pabón and Klima (2017), who interviewed Latino entrepreneurs in four counties in and near the Seattle metropolitan area. The group of respondents had business experience: half of the businesses had been operating for ten years or more. Moreover, more than half had a written business plan. But although four-fifths of the respondents said they were in need of new customers, almost none were pursuing marketing strategies beyond word-of-mouth. Of the third of respondents who said they needed a business loan, 64% predicted that they would need help with the paperwork for the loan. "In many ways," the authors conclude, "the problems faced by Latino business owners are no different from other small business owners," but their interviewees "have little or no access to capacity building, social capital, and financial resources needed to be successful."

That is not to imply that Latino-owned businesses are doomed without formal business education. Several of the Latino entrepreneurs interviewed by Ballesteros (2017), a relatively successful group whose firms were mostly in professional services, said they wished they'd had more business training. A 1996 study found that Mexican-American and "Anglo-American" entrepreneurs used similar decision-making policies and considered similar variables (Vincent, 1996). But an unfamiliarity with the customs

of small business creation and financing could well work to the disadvantage of the aspiring immigrant entrepreneur—who is often already at a disadvantage, as far as securing startup capital is concerned.

3.7.4 Latino Entrepreneurs' Access to Financing Sources

Latinos, being generally underbanked and underserved by banks (Delgado, 2013), may be especially vulnerable to being shut out of the virtuous credit circle. Perry (2008), in a survey of Latinos of varying legal status, country of origin, and time spent in the United States, found a significant and negative relationship between daily use of Spanish and likelihood of using a formal bank. This would suggest that the Latinos participating in her survey had less access to banks with Spanish-fluent staff, familiar with customs of banking in Latin American countries.

Even the Puerto Rican and Dominican business owners, already successful at opening and maintaining stores, interviewed by Levitt (1995), reported little contact with the formal banking system—and, relatedly, a dearth of options for growing their businesses past the small co-ethnic markets. But Latino and black business owners tend to start their businesses with less capital in general, and with less personal savings, than do their Asian and white counterparts (Carpenter, 2016).

The work of Bond and Townsend (1996) suggests that informal financing may help to fill some of the void left by formal lending discrimination. Their study of the Little Village survey found that respondents were more likely to borrow from friends and family than from banks, and that such informal loans were not only smaller than bank loans but offered lower interest rates. However, Casey (2012), drawing from the Panel Survey of Entrepreneurial Dynamics (PSED), found that low-wealth black and Latino

entrepreneurs were also at a disadvantage in terms of their social connections: as in, they were less likely to be connected to the kinds of people who could offer them informal loans.

The Little Village case is also one of a concentrated neighborhood in a historically urban development. In other areas of the country—especially in new gateways, which usually feature more suburban and less dense development—geographic dispersion may also play a role in hindering Latino entrepreneurs from gaining access to information and financial resources. In Harrisonburg, Virginia, Zarrugh (2007) found a similarly scattered population of Latino entrepreneurs, whose firms were concentrated mainly in restaurants, retail aimed at a co-ethnic audience, and personal services. Interviewees reported a lack of capital and repeated rejection by local banks. In the absence of the direct network-building witnessed by Welch (and facilitated by an Iowa State-based team, including Welch) (2010), assistance tended to come from within entrepreneurs' families rather than from unrelated co-ethnics.

In contrast to the Chinese-American and Korean-American markets, there has not yet been a widespread push from banks originating in Latin American countries to serve Latinos in the United States market. Even within Central and South America, banks can be reluctant to take on the financing of small and medium enterprises, which are frequently informal and may not be able to provide the information necessary to meet regulatory standards for loans (Fittipaldi, 2017). Therefore the Latino-entrepreneurship market in the United States may not be enough of an incentive for Latin American banks to expand northward. A possible exception is Santander, the Spanish bank with one of the largest presences in Latin America. It has branches in the northeast United States,

particularly New York City, and in October 2017 it announced a five-year "Inclusive Communities" plan, which included an expected additional $1.9 billion in small-business lending and ten new branches in "low- to moderate income and communities of color" (Davis & Orlando, 2017). But this initiative seems to be couched in the language of community development and minority entrepreneurship more generally, rather than pursuing a specific Latino market.

Meanwhile, Latino-owned American banks are also not widespread. Table 3.1, below, shows the number of Latino-owned banks reported by the Federal Reserve in its record of minority-owned depository institutions as of June 30, 2018. Most of the banks are small—only nine have more than $1 million in assets—and they are only located in five different states.

Table 3.2: Latino-Owned Deposit Institutions in the United States as of June 30, 2018 (Federal Reserve, 2018)

State	No. of Banks	Total Assets (in thousands)	Total Deposits (in thousands)
California	3	$3,475,230	$1,135,059
Florida	10	$10,114,023	$8,579,659
New Mexico	2	$401,299	$359,641
Oklahoma	1	$165,423	$141,069
Texas	13	$14,879,260	$11,404,205

There have been calls in the literature for policies "that include a pipeline component that creates linkages to community-based, Latino-serving organizations engaged in micro-enterprise lending and financial education outreach services" (Robles & Cordero-Guzmán, 2007). Although ethnic banks have been, and remain, an important part of the history of immigrant-entrepreneurship financing, the literature suggests that this option is less available to Latinos than it is to other immigrant entrepreneurial

groups. As a result, Latino immigrant entrepreneurs, on average, start their business with less startup capital than do non-Latino immigrant entrepreneurs (Fairlie, 2012). A study of Mexican entrepreneurs based on 1996 data found their businesses were concentrated in industries that didn't require higher levels of educational attainment or startup capital, including retail trade, construction, and repair services (Lofstrom & Wang, 2007). Carpenter (2016) failed to find evidence of a negative correlation between smaller amounts of startup capital and Latino-owned businesses' chances of survival. It should be noted, however, that his study looked only at Latino-owned businesses with $5,000 or more in startup capital, so he was pre-selecting a small percentage of Latino-owned businesses.

3.8 Conclusion: Latino Entrepreneurs and Changing Geographies

A great deal of literature to date has been written on the tendency of immigrants to self-employ: what industries they go in to; how they acquire information and capital when unable to acquire either through formal channels; the strategies they use to overcome obstacles; and how they support each other, through business networks, contributions to the greater community, or both. There has also been research done on the rise of ethnic banks, community-based organizations, and federally funded programs and their role in supporting immigrant entrepreneurs, and, more recently, studies investigating the possible effects of different settlement patterns on immigrant-owned firm industry choice and business network formation. But as this literature review has shown, Latino entrepreneurs as a whole do not necessarily conform to the patterns of prior immigrant

entrepreneurs, and therefore their strategies and needs will differ. Some of the most striking differences are:

- The adjective "Latino" covers a number of different groups, varying by country of origin, legal status in the United States, birth connections to the United States, and comfort level with doing business in English. These differences between Latino entrepreneurs can make the formation of a traditional ethnic enclave difficult. There are examples of Latino ethnic-enclave formation in the literature, in cases where the Latino population was based in a traditional urban area and dominated by a particular country of origin—Cuba, in Miami, and Mexico, in Chicago's Little Village. But such a description fails to cover many Latino settlements in the United States.
- As a group, Latinos consistently report a lack of access to the information necessary to start, operate, and maintain a successful business in the United States. Differences in language may contribute to this lack, as well as lower levels of work experience and formal management experience prior to arrival in the United States.
- Latinos are also more disadvantaged with regards to access to financing than have been previous groups of immigrant entrepreneurs, such as Korean-Americans. There are fewer ethnic banks available for Latinos to draw from, and fewer banking resources from host countries available in the United States. Informal financing is largely ad-hoc and family-based.

The growth of the expatriate Cuban community in Miami in the 1960s is a prominent exception.

- Latinos place a high value on using their businesses to contribute to their local community, although not necessarily in ways that would directly form an ethnic enclave.

There are still a number of questions that remain about how Latino entrepreneurs in particular start and build their businesses. First, relatively few researchers have studied Latino entrepreneurship in the context of entrepreneurship in the sending country or region. An exception is Fairlie and Woodruff (2010), who observe that close to a quarter of the workforce in Mexico is self-employed—which would imply that the self-employment of Mexican immigrants to the United States should be higher than it actually is. In general, say Fairlie and Lofstrom (2015), "[t]he relationship between home country self-employment experiences and host country self-employment is not well understood." This is especially important for the study of Latino entrepreneurs, given the potential variety of differences in entrepreneurial experience between different Latin American countries.Moreover, unlike most immigrating groups, Mexicans arriving in the United States are coming from a neighboring country; it is thus worth considering whether, and how, cross-border trade makes Mexican and Mexican-American transnationalist entrepreneurial activity different from those groups whose transnational enterprises require air or sea shipments.

Second, with the exception of Cuban Miami and occasional case studies, such as the Little Village surveys (Aaronson et al., 2004; Bond & Townsend, 1996; Raijman & Tienda, 2000a, 2000b; Tienda & Raijman, 2004), the role of ethnic enclaves in Latino

entrepreneurship and business formation has not been as thoroughly studied as has the role enclaves have played in Korean-American entrepreneurship. The literature on Latino entrepreneurship offers an opportunity to examine the relationship between the ethnic enclave and the larger community: where goals of business development and community development might be in harmony, and where they might conflict.

A third, related set of questions concerns the trajectory of Latino-owned businesses. The Latino respondents to the PSED were more likely to cite "build a business my children can inherit" as a motivation for entrepreneurship than were white non-Latino respondents, but less likely than black non-Latino respondents (Liu, 2012a). Another study found that Latino workers were more likely to exit a business ownership into wage employment than were non-Latinos; the authors suggest that for Latinos, self-employment might be an intermediate step between non-employment and paid work (Georgarakos & Tatsiramos, 2007). What the idea of an "intermediate step" would look like in practice, and what its implications would be for financing businesses, has not been explored further in the literature to date. It is worth asking when Latino entrepreneurs might think of business formation as a temporary or permanent activity, and how access to startup capital shapes their thinking about business formation and exit strategies. Increasing individual personal capital, both financial and human, will also change how Latinos approach entrepreneurship as a whole, and will also require researchers and policy-makers to rethink their assumptions (Robles & Cordero-Guzmán, 2007).

Finally, one area of Latino entrepreneurship that remains relatively underexplored is the effect of gender on entrepreneurial decisions, such as industry choice and family employment. A series of life-history interviews with Mexican-origin entrepreneurs in El

Paso found that the male entrepreneurs were able to solicit help from their family, but female entrepreneurs often encountered resistance from male family members (Valdez, 2016). On the national level, among Latino entrepreneurs, industry distribution varies significantly by gender (Q. Wang, 2015). Latina entrepreneurs counted in the 1996 and 2001 national Survey of Income and Program Participation were six times more likely to lack a high-school degree than were their white female counterparts; they also earned less from their businesses, although the difference disappeared after controlling for difference in education levels (Lofstrom & Bates, 2009). A study of 176 Latino business owners undergoing in training, half of which were female, found that Latina entrepreneurs had smaller social networks and were less likely to seek help from "weak ties" than were their male peers (Ortiz-Walters, Gavino, & Williams, 2015).

Chapter 4 : Comparing Latino-Owned Business Performance at the MSA Level

4.1 Introduction

The previous two chapters established the background for talking about present-day Latino entrepreneurship in the United States. Increased in-migration since 1980 has meant substantial growth for Latino populations throughout the United States, both in established "gateways" and in metropolitan areas with little prior history of significant immigration populations. This growth in population has led to growth of Latino-owned businesses. A significant body of literature exists on the establishment and growth of, and obstacles faced by, immigrant entrepreneurs, and this literature can be useful in understanding the larger trends among Latino-owned businesses. The literature to date, described in its broadest terms, suggests a mutual feedback mechanism between immigrant entrepreneurial communities and the metropolitan areas that surround them. Factors such as the size and strength of the co-ethnic network, the availability of capital, the ability to establish transnational commercial flows, and the opportunities for establishment of social and cultural spaces and events will vary from metropolitan area to metropolitan area, and from group to group.

While we have established that there are differences in patterns of Latino settlement and entrepreneurial activity between metropolitan areas, and that these differences might in turn influence how the resulting businesses perform, we cannot say exactly *which* differences matter for Latino entrepreneurs. One of the purposes of this

research is to offer policy suggestions to policy-makers interested in economic and/or community development, who have a vested interest in seeing a local Latino community strengthen and prosper. But what specific measures should the policy-makers focus on? Is it a matter of supporting those industries that tend to attract Latino entrepreneurial investment? Should policy-makers offer new sources of information, such as small-business teaching seminars and networking groups, or concentrate on expanding available sources of capital? Or are the factors that most affect Latino-owned business performance more a function of the Latino community itself than of the metropolitan area in which it happens to be located?

This chapter explores those questions through a multi-part analysis with both quantitative and qualitative elements. It will illustrate the complexity of the question of how Latino-owned businesses function within, and interact with, their surrounding metropolitan areas. There are limitations to the strength of the conclusions, largely imposed by the organization of the relevant data.

The analysis will occur in three parts, with each part taking place on a slightly different scale than the previous. The first part will take data from the 2014 Annual Survey of Entrepreneurs (hereafter ASE), presented on a national level, and use it to discuss how Latino entrepreneurs differ from their non-Latino counterparts. The second part will use data at the MSA level from the 2002, 2007, and 2012 Survey of Business Owners (SBO) and the 2007 and 2012 American Community Survey (ACS) to examine differences both within and between groups of MSAs—specifically, between the "gateways" as previously identified by Singer (Singer, 2004, 2015; Singer et al., 2009). The third part, inspired by the second, will zoom all the way down to the street level for a

qualitative analysis of two case studies: where are the Latino businesses? Are they clustered close together or scattered? Are they near identifiable sources of capital? Are there patterns of real-estate development or community organization that can be seen in their location choices? This analysis will be drawn primarily from publicly available GIS data and from firm-level data available via the Reference USA database. Some commentary will be made on all three analyses as they proceed, but most of the conclusions will be presented in the next chapter.

4.2 Methodology

4.2.1 Determining Dependent and Independent Variables

The previous research gives us some idea of what to expect when looking at metropolitan-area differences. For example, the research of Bates (1990, 2005) suggests that acquired human capital, usually measured with the proxy variable of formal education, is correlated with business performance. Bates has also contributed to a long line of research (Bates, 1997; Bates et al., 2011; Bates & Robb, 2013, 2015; Servon et al., 2010; Visan, 2012) highlighting the way access to capital, or the lack of such, can help or hinder business creation and firm longevity, and how minority entrepreneurs are particularly likely to suffer from a lack of capital options (Blanchard et al., 2008; Fairlie, 2012; Fairlie & Robb, 2008). Another line of research has concentrated on social capital generated within ethnic enclaves and shared resources among co-ethnics (Li et al., 2006; Li & Skop, 2007; Light, 2002; Zhou, 2004, 2014; Zhou & Logan, 1989), including the role ethnic banks and community-focused non-profits play in increasing co-ethnics'

access to capital (Dymski, Li, Aldana, & Ahn, 2010; Li et al., 2006; Li et al., 2002; Li et al., 2014; Patraporn, 2015; Patraporn et al., 2010). And more recently a line of research has investigated how ethnic entrepreneurs make choices about, and are influenced by, local spatial and development patterns (Fong et al., 2008; Fong et al., 2007, 2012; Liu, Painter, & Wang, 2014; Painter, Liu, & Wang, 2014; Q. Wang, 2015; Q. Wang & Li, 2007).

Not all of these factors translate into independent variables most useful for comparing metropolitan areas. Take, for example, the human-capital variable. On the one hand, the case studies most prominent in the literature—Korean immigrants in Los Angeles, Cuban immigrants in Miami—suggest that immigrants who bring higher levels of human (not to mention financial) capital with them when they enter the United States will be in a better position to create an economically successful ethnic enclave than will a group of immigrants with lower amounts of human capital. Moreover, if we assume that higher levels of instruction in, and therefore familiarity with, English is part of formal education (acquired either abroad or in the United States), it becomes even easier to see how the formal-education proxy variable would be positively correlated with business performance.[20]

[20] McManus, Gould, and Welch (1983), studying male Latino workers with data from the 1976 Survey of Income and Education, reported on the negative effects of what they called "English-language deficiency": income advantages that would usually come from greater levels of schooling and work experience were reduced if the worker was not comfortable speaking in English. More recently, Dávila, Mora, and González (2011) noted that foreign-born male Latino workers, particularly those with limited English proficiency (LEP), were more likely to work jobs with high fatal and non-fatal injury rates than native-born male Latino workers. They were also more likely to receive a wage premium for these higher-risk jobs, although the authors lacked evidence to conclude whether or not the premium adequately compensated for the risk.

However, human capital may not be a useful variable to examine when looking specifically at differences between Latino communities in metropolitan areas within the United States. Older entrepreneurs are less likely to have received the majority of their formal education within the United States; access to formal education in the sending country is more likely to make a difference to human capital among these entrepreneurs than would be differences in formal education among MSAs within the United States. Looking for differences between MSAs, therefore, may be putting the emphasis in the wrong place. To put it another way, Mexicans working in El Paso or San Diego may be better educated than their Salvadoran counterparts in Atlanta or their Dominican counterparts in Boston, but such a statement would say little about education offerings in any of the three MSAs. While it may still be valuable to look at whether differences in formal education levels (and, relatedly, levels of professed comfort with English) exist between MSAs, it would be less useful to draw conclusions from the human-capital variable alone about the MSAs themselves. On the other hand, understanding the potential importance of the formal-education proxy variable could help policy-makers assess their local Latino entrepreneurial communities and address the needs of those specific communities.

This discussion suggests that the potential independent variables can be classified roughly into two categories: entrepreneur-driven variables and MSA-driven variables. To distinguish the two, imagine a newly arrived immigrant deciding to start a business: which variables would they already know about themselves, and which would they have to gather information from their new surroundings? Table 4.1, below, divides some of the possible independent variables into the entrepreneur-driven and MSA-driven categories.

Table 4.1: Selected entrepreneur-driven verses MSA-driven independent variables

Entrepreneur-driven	MSA-driven
Gender	Industry mix
Comfort level with English	Distance to US-Mexico border
Amount of formal education	Population
Age	Percentage of population identifying as Latino
Prior entrepreneurship experience	Latino presence in business-services industries
Country of origin	Sources of startup capital available to minority and/or Latino entrepreneurs
Amount of personal financial capital available	Poverty level of Latino population
Social connections / personal social capital	Homeownership rates of Latino population
	Anti-immigrant laws passed in MSA or state

The dependent variables also need to be determined. How will business "performance" be measured? This is not as straightforward a decision as it would first seem. The SBO and the ASE, the two Census Bureau surveys on which this analysis will rely heavily, both report five separate aggregate business measurements:

- number of firms;
- number of employees;
- number of firms with at least one employee (employer firms);
- annual payroll; and
- total revenue or sales receipts.

Given that businesses will open and close even in a healthy economy—and given, too, Bates's reminder that not all closed firms are seen as failures by their owners (2005)—the sheer number of firms is a poor measure of business performance. Revenue is a similarly tricky metric, since the SBO and ASE do not measure costs or net profits. An alternate option is to measure the percentage of all firms that have at least one employee, on the

grounds that greater numbers of employer firms mean greater business activity. The disadvantage of this measure is that it has a built-in bias toward growth: an entrepreneur working for herself, satisfied with covering expenses and not inclined to expand, would not be counted as evidence of a thriving local economy, however difficult it would be for her to achieve that same level of success in an economy *not* thriving. Using changes in annual payroll as the dependent variable is subject to the same criticism: the firm that grows slowly contributes less towards overall business performance than does the firm that grows quickly, regardless of the owner's intention or the firm's other contributions to the local economy or the local society—an important caveat to keep in mind, given what multiple researchers (Levitt, 1995; Liu, Miller, et al., 2014; Oberle, 2006; Oberle & Arreola, 2008) have observed about Latino businesses' less easily quantifiable contributions to their communities as social spaces and cultural transmitters. Finally, looking at employer firms as a percentage of all firms in an MSA where lots of new businesses are opening can give the impression that Latino-owned businesses are performing poorly, when in fact the new business activity may be a sign of a very young but promising business community. Given all that, the analysis will discuss multiple measures of business performance, and emphasize changes in business performance over time, particularly the 2007–2012 time period.

4.2.2 Methods of Analysis

For the first analysis, that of the Annual Survey of Entrepreneurs (ASE) data, a chi-square analysis will be used. The chi-square test is suitable for a test of statistically significant differences between two groups (in this case, Latino and non-Latino entrepreneurs) while being nonparametric; thus, no assumptions are necessary about the

sampling distribution (Healey, 2004). In some cases the data was presented in a sufficient number of categories as to make a chi-square test inapplicable, in which case a one-way ANOVA test was used.

The analysis of the relationship between Latino presence in the construction industry in 2007 and subsequent Latino-owned business performance for 2007–12 was a linear regression. For the comparison of groups of MSAs by gateway status, a regression was also used, but because the comparison is made as to the *change* in Latino business performance along the independent variables over time, the regression is logistic instead of linear (Rodríguez, 2007). The case-study analysis, the final part of this chapter, is more narrative and less quantitative than its predecessors. However, it is preceded by some additional exploratory analysis of the MSAs being studied.

All statistical analysis was performed using the R programming language (Pathak, 2014; Peng, 2016; R Core Team, 2018), in the RStudio environment (RStudio Team, 2015). Primary packages used for data analysis and presentation are listed in Table 4.2, below. Some maps were also created in R, while GIS analysis was done in QGIS (QGIS Development Team, 2018).

Table 4.2: R Packages Most Frequently Used in Analysis

Name of Package	**Function**
acs (Glenn, 2018)	Acquire ACS data from the U.S. Census Bureau Application Programming Interface (API)
censusapi (Recht, 2018)	Retrieve ACS and SBO data
choroplethr (Lamstein, 2018)	Create choropleth maps of the United States
dplyr (Wickham, François, Henry, & Müller, 2018)	More easily and cleanly manipulate data
MASS (Venables & Ripley, 2002)	Conduct stepwise regression
rmarkdown (Allaire et al., 2018)	Record notes and data processes

Table 4.2 continued

Name of Package	Function
stringr (Wickham, 2018)	Manipulate string data, such as names of MSAs
tidycensus (Walker, 2018)	Load attribute data of borders recorded by the U.S. Census Bureau
viridis (Garnier, 2018)	Added colors to use in choropleth maps

4.3 How Are Latino Entrepreneurs Different from Non-Latinos? Evidence from the Annual Survey of Entrepreneurs

The Annual Survey of Entrepreneurs (hereafter ASE) is a collaboration between the Census Bureau and the Ewing Marion Kauffman Foundation, administered for the first time in 2014. Unlike the SBO, the ASE sampled only from firms with paid employees in 2014, and only with the 50 most populous MSAs, with population numbers taken from the 2014 ACS. Tables 4.3, below, and 4.4, following, show the makeup of the respondents to the ASE. A slightly higher percentage of Latino respondents were female than were non-Latino respondents.

Table 4.3: Firms with Employees Owned by Latino and Non-Latino Respondents to the 2014 ASE (author's calculations from 2014 ASE data)

Ethnic self-identification	Ownership by gender	Number of employer firms	Percent of employer firms	Number of employees	Percent of total employees
Latino	Equally female and male	34,394	11.5%	315,912	12.9%
	Female	72,542	24.3%	499,751	20.4%
	Male	191,626	64.2%	1,628,415	66.6%
Non-Latino	Equally female and male	706,584	14.6%	6,126,091	11.7%
	Female	983,325	20.4%	8,018,402	15.3%
	Male	3,133,576	65.0%	38,213,949	73.0%

Table 4.4: Revenue and Payroll of Latino- and Non-Latino-Owned Firms by Gender of Owner (2014 ASE data)

Ethnic self-identification	Ownership by gender	Revenue (in thousands)	Percent of total revenue	Payroll (in thousands)	Percent of total payroll
Latino	Equally female and male	$34,292	10.2%	$7,429	9.6%
	Female	$53,737	16.0%	$13,002	16.8%
	Male	$247,131	73.7%	$56,820	73.6%
Non-Latino	Equally female and male	$926,557	8.6%	$190,629	9.1%
	Female	$1,266,235	11.8%	$264,353	12.6%
	Male	$8,531,875	79.6%	$1,639,526	78.3%

This difference is actually reflected in Latino versus non-Latino ownership nationwide, outside the ASE sample. Table 4.5, below, taken from the 2012 SBO, shows ownership categorized by gender between Latino and non-Latino business owners. Setting aside those businesses that are equally male- and female-owned, female owners are more prevalent among Latinos than among non-Latinos. A chi-square test shows that the difference between the two groups is significant ($\chi^2 = 61{,}317$ with one degree of freedom).

Table 4.5: Gender of Business Owners, Latino and Non-Latino (author's calculations from 2012 SBO data)

Gender of owner		Latino	Non-Latino
Female	Number	1,469,991	8,402,865
	Percent of total	44.5%	35.4%
Male	Number	1,702,559	13,120,871
	Percent of total	51.5%	55.3%
Equally male- and female-owned	Number	133,322	704,379
	Percent of total	4.0%	9.3%
Total	Number	3,305,873	23,743,181
	Percent of total	100%	100%
$\chi^2 = 61{,}317$; df = 1; $p < 2.2 * e^{-16}$			

The value of the 2014 ASE lies in its questions about business ownership similar to those asked in the long-form SBO, previously published as a Public User Microdata Sample (PUMS) in 2007, such as source and amount of startup capital; reason for owning a business; number of hours worked; and reason the business ceased operations. Because they were taken from two different sample sets, neither the 2007 SBO PUMS nor the 2012 SBO PUMS (which was not released) is comparable to the 2014 ASE[21]; but the 2014 ASE, looked at in isolation, is still potentially valuable. Unlike the SBO PUMS, which presents one response per industry per state, the ASE has a larger aggregate set of responses. Some ASE data is also available at the MSA level, albeit only for the 50 most populous MSAs as of the 2014 ACS; unfortunately, a lot of the detailed data presented here is publicly available at the national level only.

The following section will present information from the 2014 ASE, broken out into Latino and non-Latino categories, with an eye towards seeing where the ASE survey responses accord with the conclusions reached by previous literature, and where it suggests potential differences. The purpose of this overview is to see where the ASE's sample of Latino entrepreneurs reports statistically significant differences with non-Latino entrepreneurs over the entire national sample. If the experience of Latinos and non-Latinos as to a particular point is statistically similar, that particular independent variable looks less promising as a place of investigation at the MSA level. On the other hand, if Latinos and non-Latinos differ significantly overall on a particular variable, then it might be more useful to look at how differences in that particular variable play out at

[21] Some 8.2% of ASE non-respondents had responded to SBO data, so their SBO responses were used to impute ASE data. In total roughly a quarter of the ASE's firm count estimates come from imputed data (United States Bureau of the Census, 2017).

the metropolitan level. The analysis that follows shows that the population of Latino entrepreneurs differs from the non-Latino population significantly in many respects. Supplementary tables with detailed analysis can be found in an Appendix following Chapter 5.

4.3.1 Industry

One of the first questions to ask about the 2014 ASE sample is whether the Latino respondents differ from their non-Latino counterparts in terms of industry choice. (Remember that the ASE samples from firms with paid employees only.) At first glance, the Latino-owned sample seems in line with observations made about Latino-owned firms in Chapter 2: relative to non-Latino-owned firms, they are overrepresented in construction, transportation and warehousing, and administrative and support services, and underrepresented in professional services, finance and insurance, and arts, entertainment, and recreation. A chi-squared test reveals that indeed, the two distributions are statistically significantly different ($\chi^2 = 27{,}331$ with 19 degrees of freedom).

That raises the separate question of whether the 2014 ASE sample of Latino-owned firms is representative of Latino-owned firms as a whole. The SBO data is limited to firms with paid employees, in order to match the ASE sample more closely. Unfortunately, this comparison *also* shows significant difference in a chi-squared test ($\chi^2 = 864.86$ with 19 degrees of freedom). The largest difference between the two samples is in retail trade (0.76% difference).

Does this mean it's not worth the time to analyze the data from the 2014 ASE? No; but it does suggest some caution in generalizing too broadly from the ASE's respondents to Latino-owned businesses as a whole. The ASE firms are slightly less

likely to be in industries with relatively lower barriers to entry and lower rates of return, such as accommodation and food services, construction, and transportation and warehousing. It may be that the entrepreneurs represented in the ASE data are, if anything, able to create greater profits and more firm security than Latino entrepreneurs as a whole.

4.3.2 Citizenship Status at Birth

52.4% of the Latinos were not born as US citizens, as opposed to just 13.6% of non-Latinos. A chi-squared test shows a statistically significant difference between the two populations ($\chi^2 = 337{,}260$ with one degree of freedom).

4.3.3 Age of Owner

The Latino owners in the sample tended to be much younger than their non-Latino counterparts, as shown in Figures 4.1 and 4.2. Almost half of the non-Latino respondents were 55 or older, as opposed to only 31.7% of the Latino respondents. A chi-squared test shows that the difference in age distribution between the two groups is statistically significant ($\chi^2 = 42{,}300$ with five degrees of freedom).

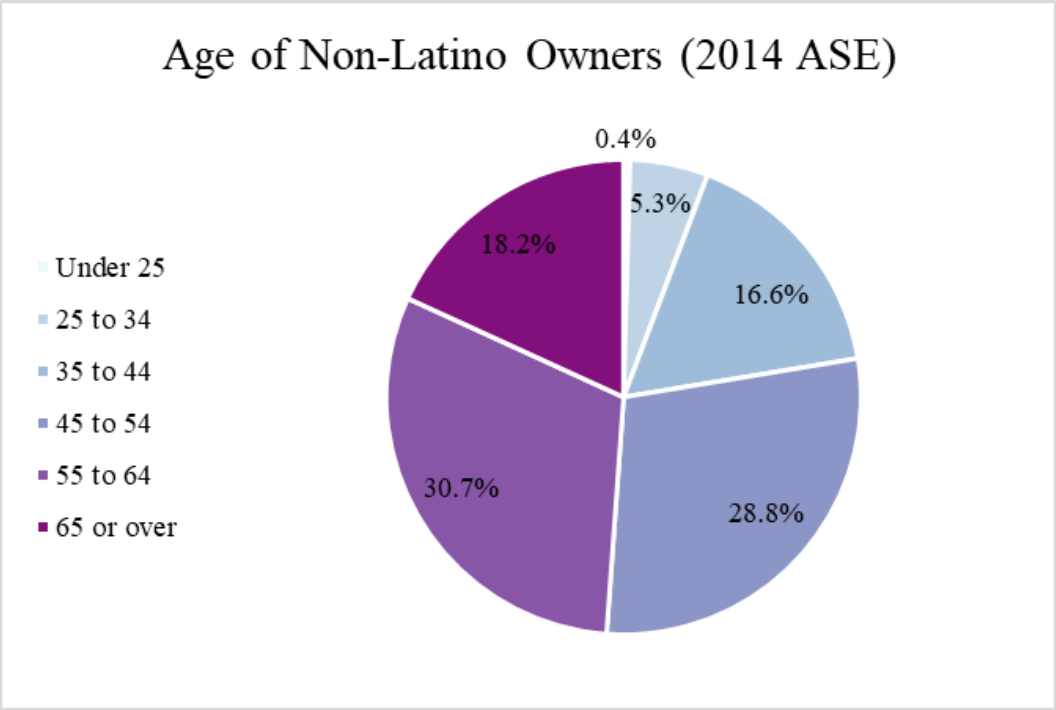


Figure 4.1: Distribution of Age of Non-Latino Respondents to 2014 ASE (author's calculations)

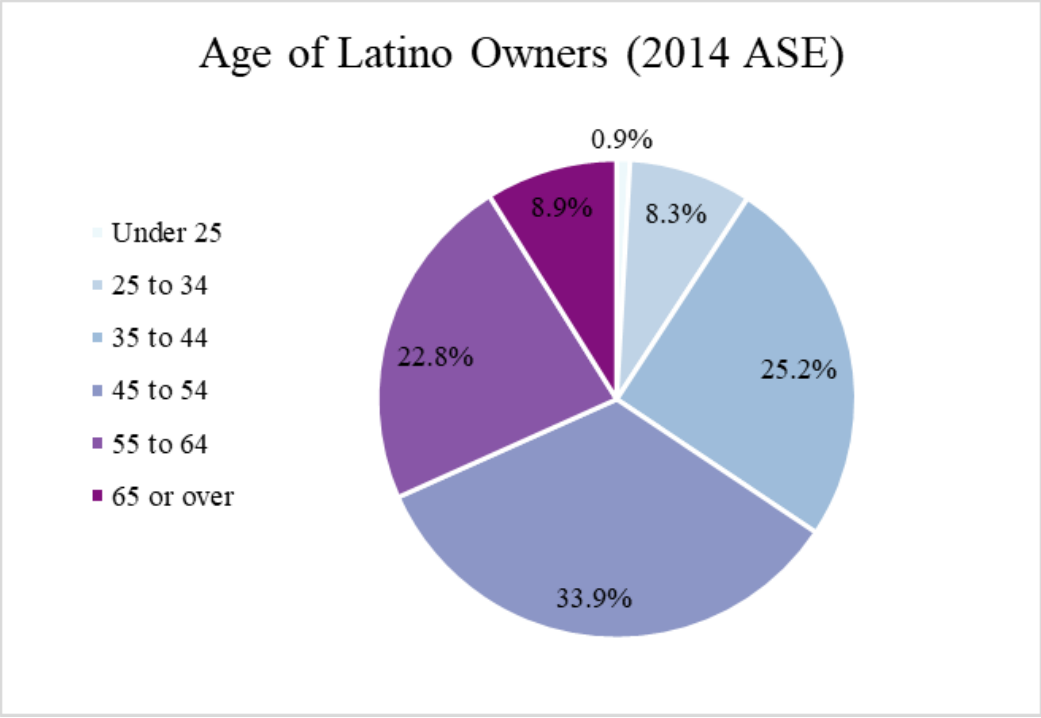


Figure 4.2: Distribution of Age of Latino Respondents to 2014 ASE (author's calculations)

4.3.4 Formal Education

Figure 4.3 shows the percentages of Latino versus non-Latino owners in terms of the highest level of formal education reported. Greater percentages of Latino owners reported having a high school diploma or GED or less, and smaller percentages reported having a bachelor's or post-bachelor's degree. This is in line with previous research about Latino formal education levels more generally and Latino entrepreneurs. A chi-squared test finds the differences between the two groups is statistically significant ($\chi^2 = 97{,}891$ with eight degrees of freedom).

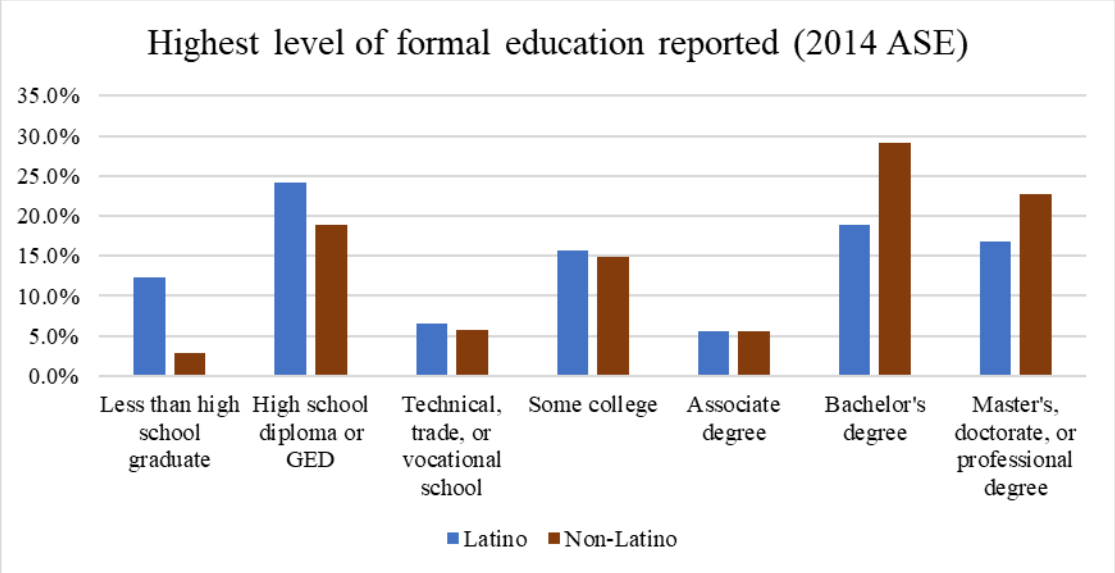


Figure 4.3: Highest level of formal education reported by respondents to the 2014 ASE (author's calculations)

4.3.5 Reason for Starting a Business

One of the questions asked on the ASE is the reason the owner started a business. For each of the ten possible reasons listed, respondents were asked to choose one of three classifications: "Very Important,' "Somewhat Important," and "Not Important." Respondents could list as many reasons as "Very Important" or "Not Important" as they

wished. Figure 4.4 shows the percentage of respondents who ranked each of the ten given reasons as either “very” or “somewhat” important, as grouped by ethnic self-identification. To see if Latino and non-Latino respondents varied in their choice of classifications, a one-way ANOVA test was conducted on the percentage of respondents choosing “Not Important” for each reason. The test showed a statistically significant difference, as shown in Figure 4.5.

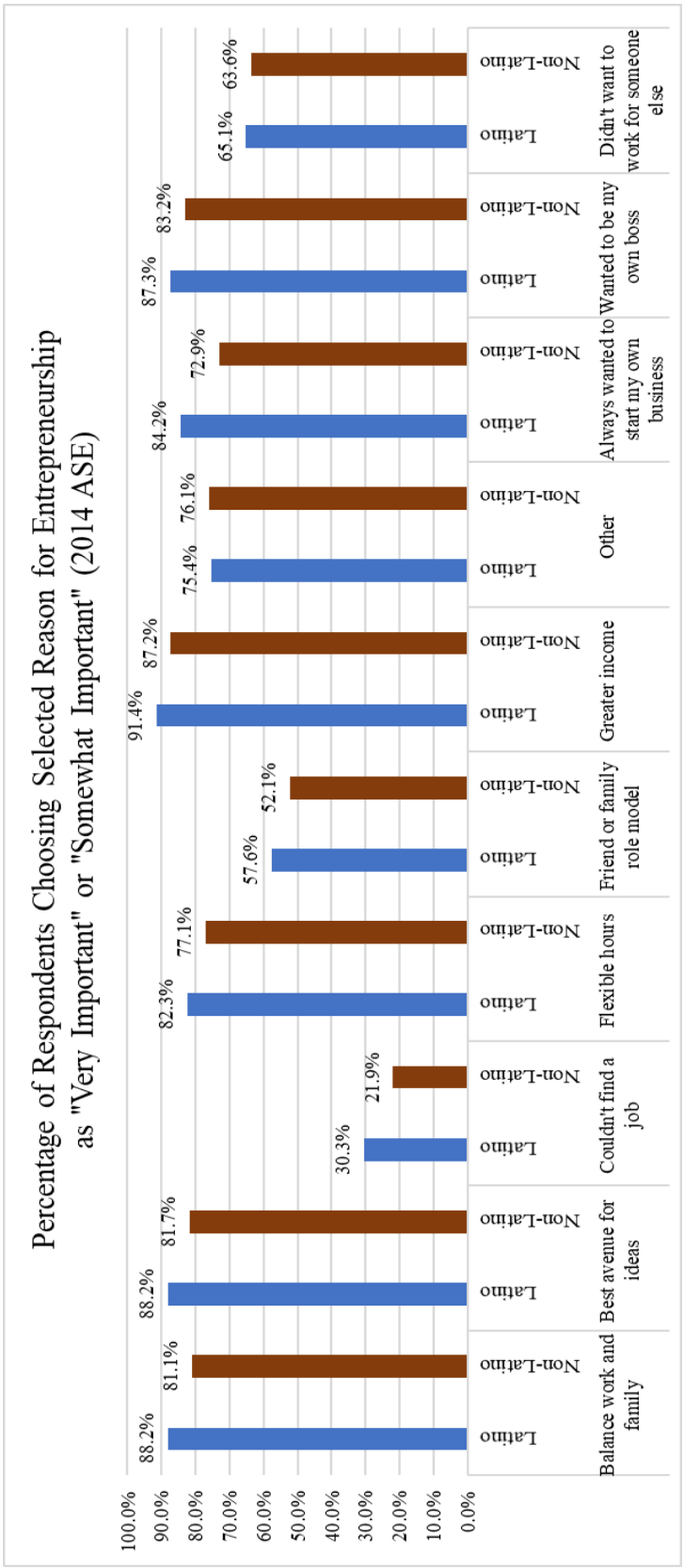


Figure 4.4: Respondents' Evaluation of Given Reasons to Become Entrepreneurs, 2014 ASE (author's calculations)

```
Analysis of Variance Table

Response: responses
          Df     Sum Sq    Mean Sq F value    Pr(>F)
notgrp     1 1.4358e+13 1.4358e+13  30.082 3.292e-05 ***
Residuals 18 8.5913e+12 4.7730e+11
---
Signif. codes:  0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1
```

Figure 4.5: Results of One-Way ANOVA on Latino vs. Non-Latino Respondents' Choosing "Not Important" (author's calculations from 2014 ASE data)

Two caveats about this data should be noted. First, as previously noted, the 2014 ASE was sent only to employers with paid employees, so it should not be taken as a portrait of all entrepreneurs, Latino or not. Second, a higher percentage of Latinos marked every reason given as “very” important as compared to non-Latinos, so the data may be skewed simply by Latinos’ greater willingness to describe something as very important. That having been said, the data do show a greater percentage of Latino respondents citing the most obvious push factor—failure to find wage work—as important to their having started a business: 30% versus 22% for non-Latinos. But more than four-fifths of Latino respondents cited the pull factors of having a long-standing goal of entrepreneurship, wanting to be their own boss, or pursuing greater income.

4.3.6 Prior Self-Employment Experience

The Latino respondents were less likely to report previous self-employment. A chi-squared test indicates a statistically significant difference between the two groups (χ^2 = 1,722.4 with one degree of freedom).

4.3.7 Number of Hours Worked Per Week on Business

Figure 4.6 shows the number of hours owners reported working on their business, segmented by ethnicity. A slightly greater percentage of Latino owners (66%) than of

non-Latino owners (61%) reported spending 40 or more hours per week on their business. A chi-squared test shows that the difference between the two groups is statistically significant (χ^2 = 4,777.8 with five degrees of freedom).

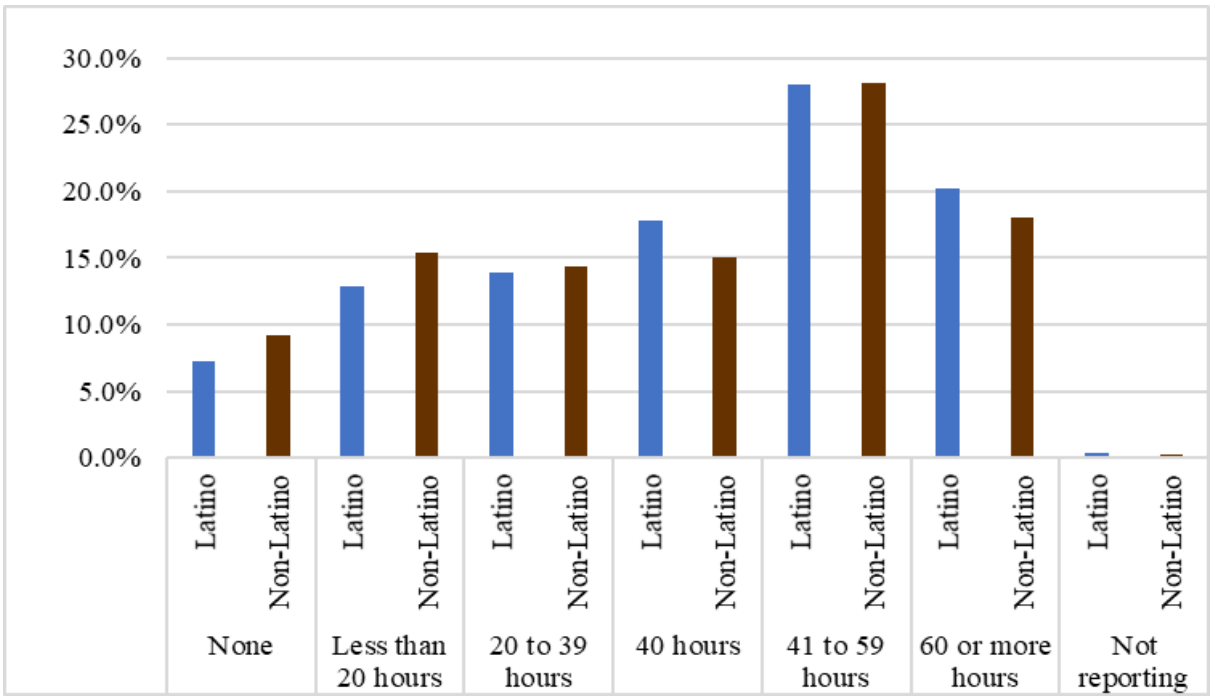


Figure 4.6: Reported Hours per Week Worked on Primary Business by 2014 ASE Respondents (author's calculations)

4.3.8 How Business Was Acquired

78.9% of the Latino owners responding founded their business, as opposed to 70.0% of the non-Latino owners. The Latino owners were also less likely to report having acquired their business through purchase, inheritance, transfer, or gifting. Taken together, this difference between the two groups is statistically significant (χ^2 = 942,470 on three degrees of freedom). Figure 4.7 shows the differences between the two groups.

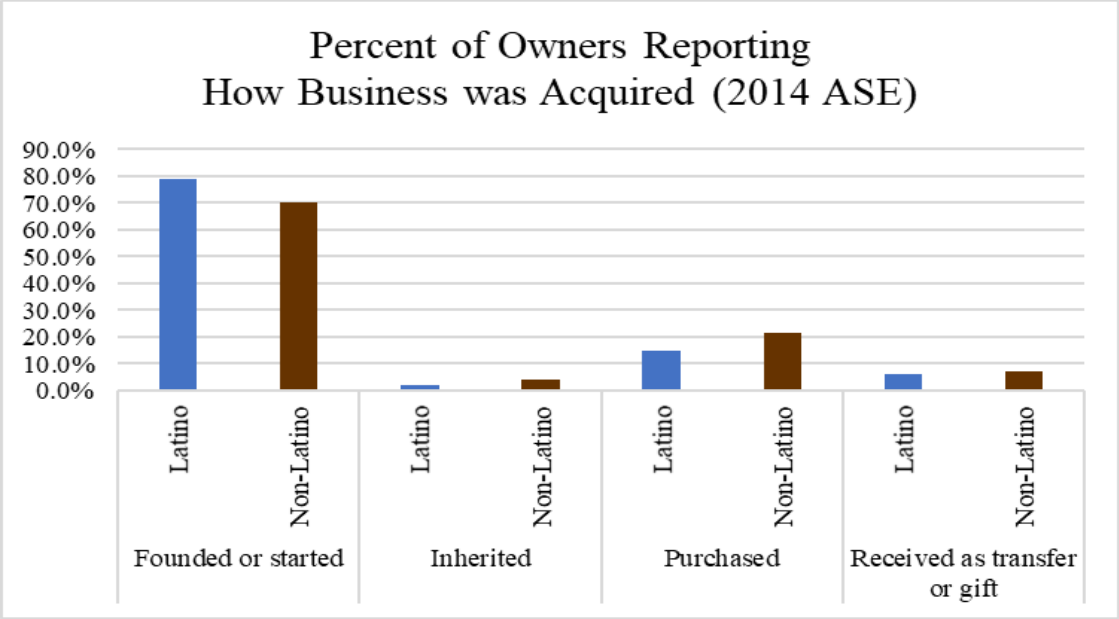


Figure 4.7: Respondents Identifying How Business Was Acquired, 2014 ASE (author's calculations)

4.3.9 Age of Business

Figures 4.8 and 4.9 show the ages of businesses in the sample. As a group the Latino-owned firms are younger than the non-Latino-owned firms; 44.9% of the Latino-owned firms had existed for five years or less, as opposed to only 31.6% of the non-Latino-owned firms. A chi-squared test shows that the difference between the two groups of firms is statistically significant ($\chi^2 = 30{,}926$ with five degrees of freedom).

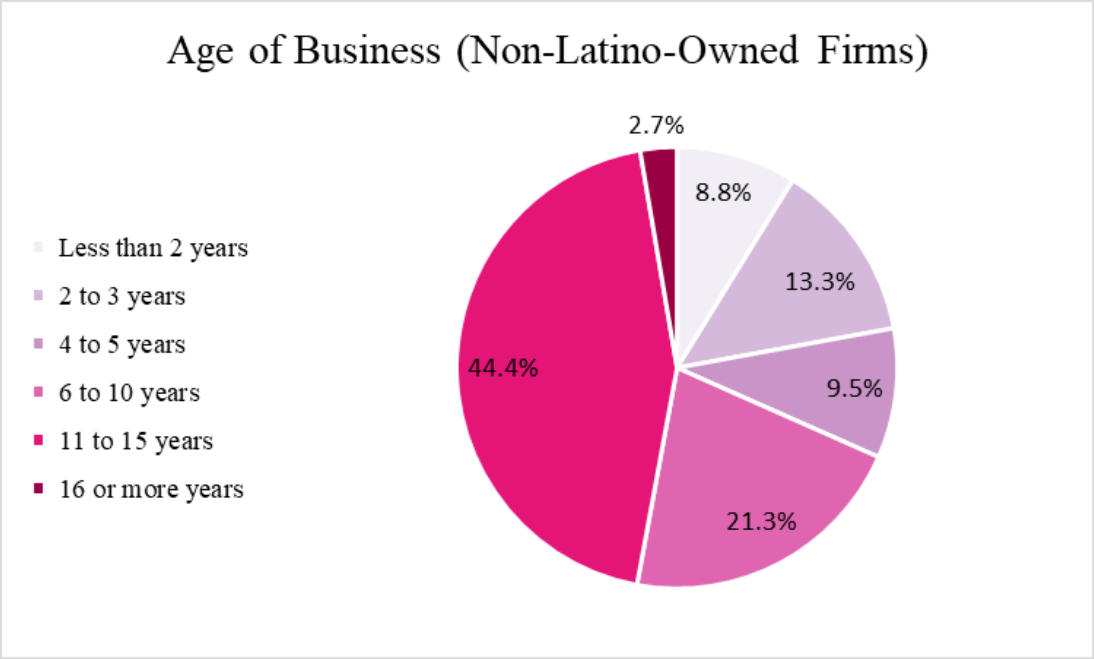


Figure 4.8: Age of Firms Owned by Non-Latino Respondents, 2014 ASE (author's calculations)

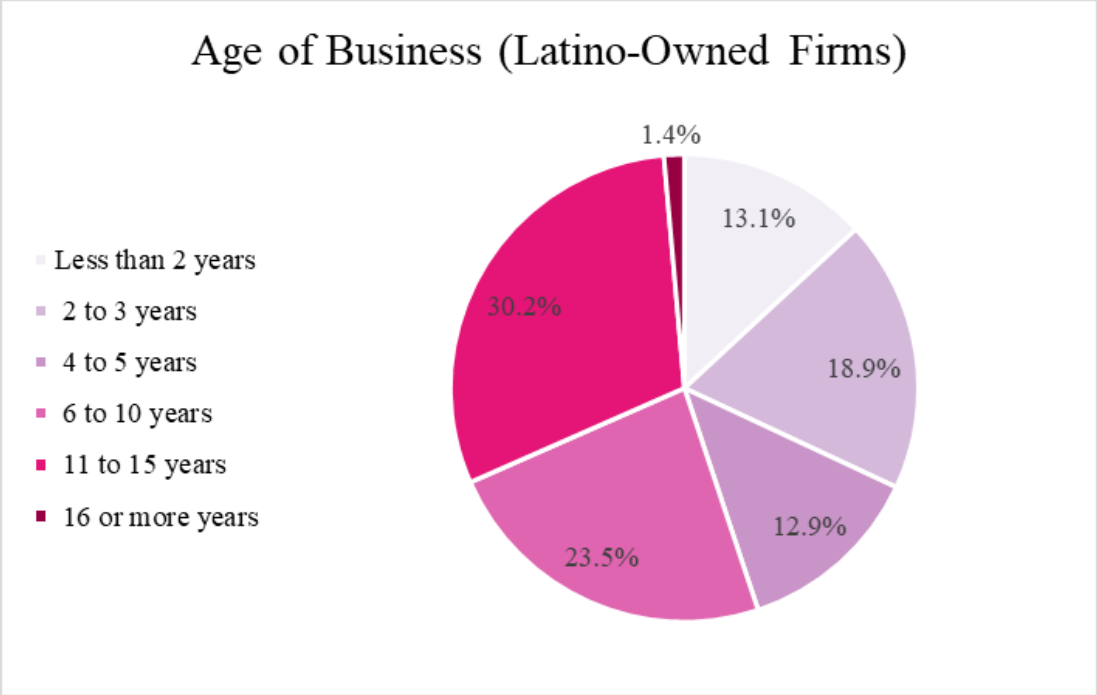


Figure 4.9: Age of Businesses Owned by Latino Respondents, 2014 ASE (author's calculations)

4.3.10 Intellectual Property Holdings

Latino-owned firms are less likely to own trademarks, copyrights, or patents than are non-Latino firms. Again, the difference between the three groups is statisically significant, according to a chi-square test (χ^2 = 1,132.7 on four degrees of freedom). This suggests that Latino-owned firms are less likely to have filed for IP holdings than non-Latino businesses. The smaller number of firms with equal Latino and non-Latino ownership, meanwhile, were more likely to hold copyrights or trademarks than both the Latino and non-Latino firms: 4.8% of the equally Latino/non-Latino owned firms held a copyright and 7.5% a trademark. This may point to a difference in what kinds of firms are more likely to have equally Latino- and non-Latino owners, as opposed to sole Latino or non-Latino ownership.

4.3.11 Operations Outside the United States

Even allowing for the fact that the ASE sample consists solely of employer firms, very few firms reported having operations outside the United States: 2.5% of Latino-owned firms, 1.3% of non-Latino-owned firms, and 1.2% of equally Latino- and non-Latino-owned firms. This difference was statistically significant (χ^2 = 2,030.4 on one degree of freedom), so it is possible to state that, within the ASE sample, Latino-owned firms were more likely to have operations outside the United States. But the percentage of firms involved in such activities is small enough that they should not be assumed to represent Latino-owned firms without caution.

4.3.12 Language Spoken at the Business

96.1% of all Latino-owned firms in the ASE sample reported using English at the business, with 66.9% reporting using Spanish. Among non-Latino-owned firms, more

than 99% reported speaking English and just 11.6% reported speaking Spanish. (That was, however, the second-most common language spoken at non-Latino-owned firms.) Among equally Latino- and non-Latino-owned firms, 98.8% reported English use and 41.1% reported Spanish use. Again, these differences proved statistically significant, both for English and Spanish use.

4.3.13 Family Ownership

Although stereotypes of immigrant-owned enterprises often rely on the idea of family ownership or family involvement, a smaller percentage of the Latino-owned firms (24.9%) in the ASE were family-owned than of the non-Latino-owned firms (28.7%). This difference is statistically significant (χ^2 = 1,347.3 on one degree of freedom). It may be that Latino-owned firms are less likely to formally structure so that family members share ownership, instead relying on informal agreements if family labor contributes to the business.

4.3.14 Source and Amount of Initial Startup Capital

Nearly half of the Latino-owned firms (45%) were started with $25,000 in startup capital or less, as opposed to 35.4% of the non-Latino-owned firms and 34.6% of firms equally Latino- and non-Latino-owned. A one-way ANOVA test finds that the difference between Latino and non-Latino firms in terms of amount of startup capital is statistically significant to p = 0.001 (F = 41.09) (see Figure 4.11, below). Figure 4.10 compares initial startup amounts among Latino-owned firms, non-Latino-owned firms, and those firms that were equally Latino- and non-Latino-owned.

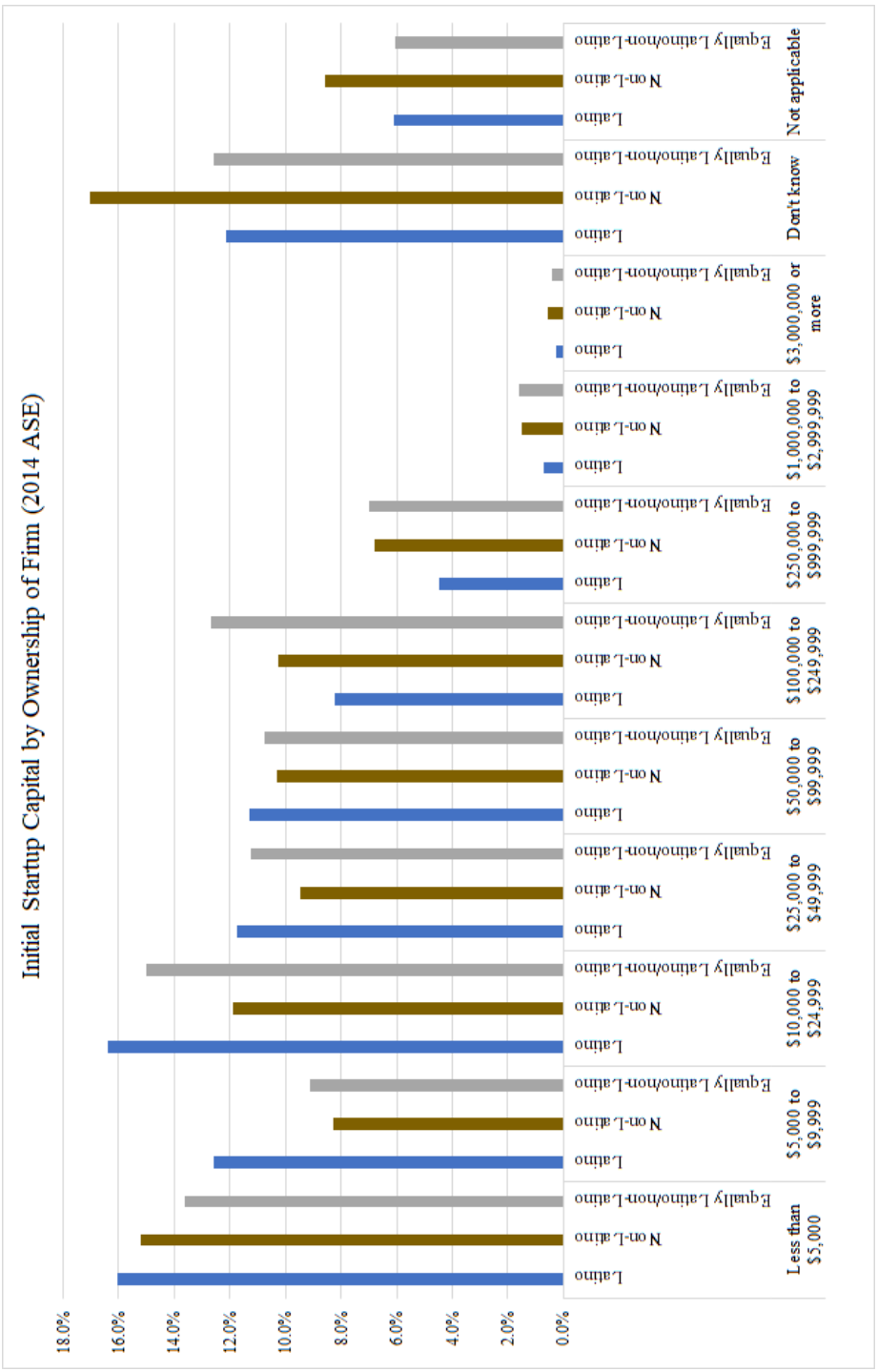


Figure 4.10: Reported Initial Startup Capital by Ethnicity of Owner, 2014 ASE (author's calculations)

```
Analysis of Variance Table

Response: ase14_startcap_lat[2:10, 6]
                              Df    Sum Sq   Mean Sq F value    Pr(>F)
ase14_startcap_notlat[2:10, 6]  1 993627696 993627696  41.093 0.0003637 ***
Residuals                       7 169261930  24180276
---
Signif. codes:  0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1
```

Figure 4.11: Results for One-Way ANOVA for Initial Startup Capital (author's calculations)

Meanwhile, in terms of the source of the startup capital, the contrast between Latino-owned and non-Latino-owned firms is in line with the findings of past research. Latino-owned firms were less likely to be financed with a formal bank loan and more likely to be financed with a personal credit card or the owner's own savings. This difference is statistically significant (χ^2 = 12,169 on 13 degrees of freedom).

4.3.15 Negative Impacts on Business

Respondents were given a list of potential circumstances and asked whether those particular circumstances had a negative impact on their business. Latino owners were more likely than non-Latino owners to report a negative impact from access to or cost of financial capital, slow business or lost sales, and late or no payment from customers, and less likely to report a negative impact from taxes. A chi-squared analysis between the number of Latino and non-Latino owners who cited a negative impact for each circumstance found a statistically significant difference between the two groups (χ^2 = 13,148).

4.3.16 Success in Establishing New Funding Relationships

The ASE also asks whether respondents tried to get new funding for their business in 2014, and if so, whether they were able to get the full amount requested. As with the initial funding, a smaller percentage of Latino-owned firms applied to banks or

credit unions, and of those who did, only three-fifths of requesters got the full amount of requested funding (as opposed to almost three-fourths of non-Latino-owned firms applying for capital from banks). The largest percentage of fully funded requests from Latino-owned firms came from credit cards; the second-largest was trade credit. Once again, a chi-squared test on the two groups resulted in a statistically significant difference (χ^2 = 15,846 on 37 degrees of freedom)

4.3.17 Profitability

A higher percentage of non-Latino-owned firms reported profits in 2014 than did Latino-owned or equally Latino/non-Latino-owned firms. A chi-squared comparison between the Latino and non-Latino groups show the difference between the two is statistically significant (χ^2 = 2,857.2 on 2 degrees of freedom).

4.3.18 Business Operating Status and Causes of Shutdown

The ASE also asks whether the business being asked about is still in operation, and if not, what reason did the owner have to cease operations. Of the Latino-owned firms, 93.9% were still in business; 93.0% of the non-Latino-owned firms were still in operations. For those businesses that had closed, Table 4.26 breaks down the reason given for the ceasing of operations. The Latino-owned firms were considerably less likely to stop operating because of the owner's retirement, whereas lack of credit or cash flow seems to have plagued more of the Latino-owned than the non-Latino-owned firms—37.5% of ceased Latino-owned firms closed due to credit or cash issues, as opposed to 28.2% of non-Latino-owned firms. The difference between the two groups is statistically significant (χ^2 = 2,766.5 on 10 degrees of freedom).

4.3.19 Projected Future of the Business

Finally, the ASE contains the question, "Where would the owner(s) like to be in five years?" (Note that the question is for the desired size rather than the expected size.) There is a greater collective hope for growth on the Latino-owned than on the non-Latino-owned side, and the difference is statistically significant (χ^2 = 5,054.6 on 3 degrees of freedom).

4.3.20 Summary of Conclusions from the 2014 ASE Data

The evidence shows that Latino owners, and Latino-owned firms, as presented in the 2014 ASE differ substantially from their non-Latino-owned counterparts. A comparison of the Latino and non-Latino respondents finds statistically significant evidence of difference between the two groups for more than twenty different points of comparison. It is clear that the Latino entrepreneurs who answered the 2014 ASE are, as a group, different from non-Latino respondents. They skew younger, as do their firms. They are less likely to have made money in the year prior to answering the survey, but more likely to predict their business will be larger in five years. They are more likely to have founded the business, and work longer hours, but less likely to own intellectual property connected to the firm. And finally, in a theme that repeats throughout the ASE as well as throughout the literature, they have difficulties with credit that their non-Latino counterparts do not: credit issued to Latino entrepreneurs comes in smaller amounts and is more expensive, and yet lack of credit is more often cited as a cause of business closure.

As noted before, there are differences between the group of Latino respondents to the 2014 ASE and Latino entrepreneurs as a whole, so the experiences of the 2014 ASE

cohort may not be typical. But the ASE results fall largely in line with what the previous literature has found about immigrant entrepreneurship in general and Latino entrepreneurs' experiences in particular.

Unfortunately, while the ASE collected data for the top 50 MSAs, the responses discussed above (about credit use, aspirations for the business, and so on) are not publicly available at the MSA level. Therefore, other data is necessary to answer the question of how the performance of Latino-owned firms might differ at the MSA level.

4.4 Differences in Latino-Owned Business Performance by MSA

The best source for information about Latino-owned business performance at the MSA level, on a national scale, is the Survey of Business Owners (SBO), which is administered every five years. The analysis that follows will draw primarily from the 2002, 2007, and 2012 SBO, although some caution has to be used in comparing the 2002 SBO to the other two: whereas in 2007 and 2012, "Hispanic or Latino" was classified as an ethnicity separate from race, the 2002 SBO treated "Hispanic or Latino" as one of several racial categories. Therefore it is possible that business owners who would not have identified themselves as Latino in the 2002 survey did so in 2007.

This analysis will begin with an overview of shifts in Latino-owned business performance between 2002 and 2012 and will then compare variables by metropolitan area. It will test the power of several potential predictive variables, such as the percentage of Latino-owned firms in construction, and then examine whether the "gateway" typology of MSAs discussed earlier is useful when looking at firm performance, by

comparing metropolitan areas classified as "re-emerging" gateways to metropolitan areas classified as "minor-emerging" gateways.

4.4.1 Latino-Owned Business Performance Between 2002 and 2012

Table 4.6 gives an overview of Latino-owned business performance between 2002 and 2012, using data from the 114 MSAs for which data was available for both years.[22]

Table 4.6: Mean and Median Statistics for Latino-Owned Firm Performance by MSA, 2002-12 (author's calculations from 2002 and 2012 SBO data)

	Mean	**Median**
Total number of Latino-owned firms, 2002	11,886.1	1,694.5
Total sales and receipts of Latino-owned firms (in thousands), 2002	$2,113,749	$346,600
Total number of Latino-owned employer firms, 2002	1,446.9	291.5
Total sales and receipts of Latino-owned employer firms (in thousands), 2002	$1,698,780	$295,963
Total employees of Latino-owned firms, 2002	11,072.8	1,974.5
Total payroll of Latino-owned firms (in thousands), 2002	$348,176	$59,353
Total number of Latino-owned firms, 2012	24,730.9	4,682.5
Total sales and receipts of Latino-owned firms (in thousands), 2012	$3,252,630	$696,498
Total number of Latino-owned employer firms, 2012	2,108.6	425.5
Total sales and receipts of Latino-owned employer firms (in thousands), 2012	$2,554,077	$509,832
Total employees of Latino-owned firms, 2012	16,433.2	3,697.0
Total payroll of Latino-owned firms (in thousands), 2012	$502,835	$92,431
Percent change in number of Latino-owned firms, 2002-12	167.7%	141.3%

[22] All 2002 numbers have been adjusted for inflation. Throughout this chapter, in comparing the 2002, 2007, and 2012 SBOs I used the following calculation to account for inflation: $1.00 in January 2002 equals $1.28 in January 2012, and $1.00 in January 2007 equals $1.12 in January 2012.

Table 4.6 continued

	Mean	**Median**
Percent change in sales and receipts from Latino-owned firms, 2002-12	127.5%	76.3%
Percent change in Latino-owned employer firms, 2002-12	59.8%	46.8%

The large differences between the mean and median number of Latino-owned firms suggest that these firms are concentrated in particular MSAs. Meanwhile, the period 2002–12 saw growth in Latino-owned firms nationwide. But the growth was not evenly spread: some smaller MSAs saw large increases in their Latino presence, while other MSAs saw their existing Latino business communities adversely affected by the Great Recession.[23] Not surprisingly, the largest concentrations of Latino-owned business activity are in some of the nation's largest cities: Los Angeles, New York, Miami, Houston. The largest percentage increases came in MSAs with previously small immigrant populations, such as Reading, Pennsylvania, and Fayetteville, Arkansas; meanwhile, the largest drops in Latino-owned business activity occurred in MSAs where the Latino population may not have been increasing quickly enough to mitigate the economic damage wrought by the Great Recession.

4.4.2 Share of Latino-Owned Firms in Construction as a Potential Independent Variable

One variable that might help explain differences between MSAs is the share of Latino-owned businesses in construction and related industries. A large share of Latino-owned business activity takes place in construction: the industry accounted for 14% of all Latino-owned firms and 12% of all Latino-owned revenue nationally in 2012 (see Figures

[23] A table comparing MSAs in selected categories of SBO data can be found in the Appendix.

2.4 and 2.5). Construction has relatively low barriers to entry in terms of its formal-education requirements, making it potentially more attractive to aspiring entrepreneurs blocked from higher-barrier industries. It would have been an especially attractive industry to enter in new-gateway metropolitan areas whose overall populations were rapidly growing in the 1990s and 2000s. Moreover, the Great Recession, which hit the construction industry particularly hard, might have disproportionately affected Latino business communities heavily dependent on construction firms. So one possible hypothesis is that MSAs with a higher share of Latino-owned businesses in construction saw a sharper decline, or smaller increase, of Latino-owned business activity during the 2002–12 time period. Table 4.7 shows descriptive statistics for the MSAs in the study; the mean share of Latino-owned firms in construction was 13.8%, similar to the national percentage.

Table 4.7: Descriptive Statistics, including for Share of Latino-Owned Firms in Construction, of MSAs in Study (author's calculations from 2012 SBO and 2012 1-year ACS)

Percentage (2012)	**Mean**	**Median**	**Minimum**	**Maximum**
Percentage of all Latino-owned firms in the MSA in construction	13.8%	15.7%	0%	50.6%
Percentage of all Latino-owned firms that have employees	11.1%	10.6%	0.01%	50.4%
Percentage of all Latino-owned firms with employees in construction	13.8%	12.9%	0%	50.6%
Percentage of population identifying as Latino	16.3%	9.3%	0.1%	95.4%
Percentage of the Latino population in the MSA that speaks English only or English "very well"	72.8%	72.6%	38.8%	98.4%
Percentage of the Latino population that had an income under the poverty level in the previous 12 months	28.0%	27.8%	0.08%	47.3%

Table 4.7 continued

Percentage (2012)	Mean	Median	Minimum	Maximum
Percentage of the Latino population over age 18 that were not citizens	32.9%	33.0%	2.7%	75.8%

But what would a higher share of Latino-owned firms in construction indicate about an MSA? Perhaps there is a correlation between higher share of population self-identifying as Latino and higher share in the construction industry. That correlation, however, when tested, turns out to be fairly weak. Figure 4.12, following, shows the graph of 226 MSAs, with percent population Latino (from the 2012 1-year ACS) on the X axis and percent Latinos in construction on the Y axis (from the 2012 SBO). The Pearson's correlation coefficient for the two variables is 0.315, which would indicate that about 10% of the variation in share of Latino-owned businesses in construction can be explained by share of the population that self-identifies as Latino. Limiting the test to firms with paid employees makes for an even weaker correlation (Pearson's correlation coefficient = 0.282).

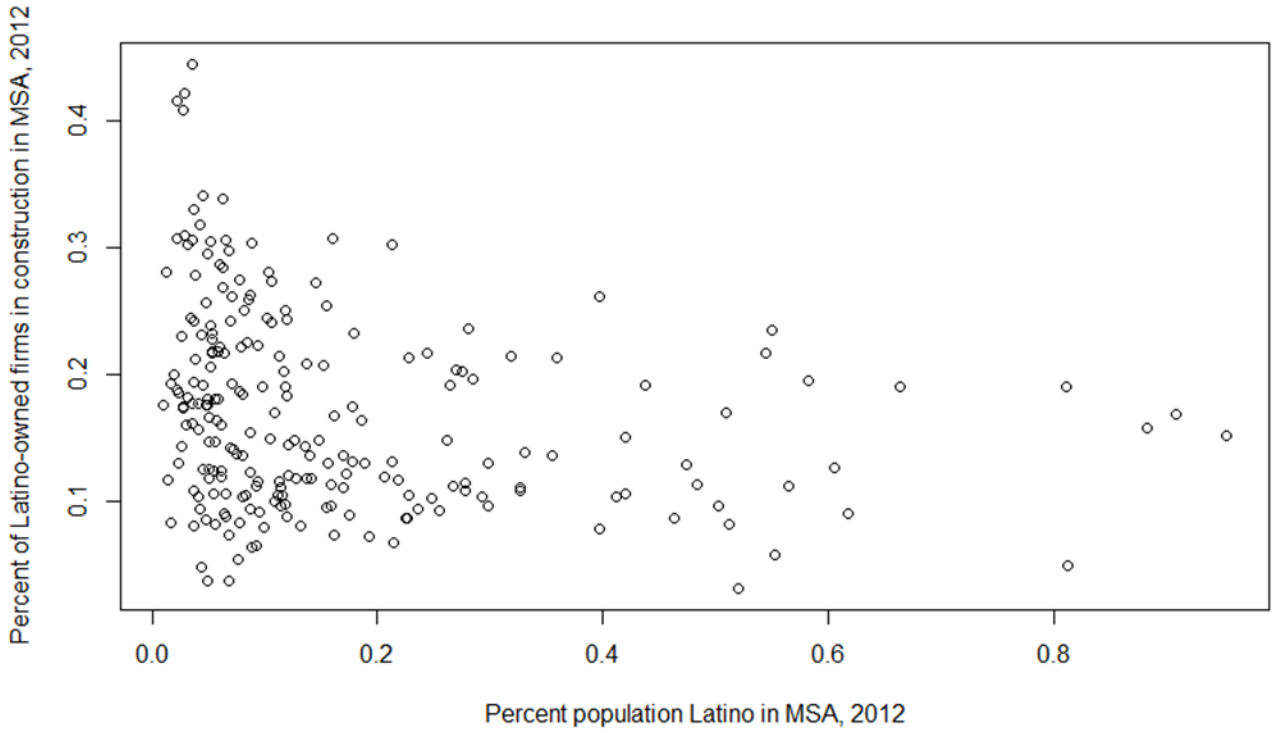


Figure 4.12: Share of Population Self-Identifying as Latino vs. Percent of Latino-Owned Firms in Construction, 2012 (author's calculations from 2012 SBO and 2012 1-year ACS data)

Perhaps there exists a correlation between the percentage of Latino businesses in construction and the percentage of Latinos in the MSA who are comfortable speaking English. "Comfortable" is a subjective term; in this case it is defined as the ACS's estimations of the Latino population who report either speaking English alone or, if speaking Spanish, speaking English "very well". Table 4.30, above, shows that for 350 MSAs, both the mean and the median percentage of Latinos reporting speaking English only or speaking English "very well" were about 73%. One might guess an inversely proportional relationship between construction firms and English-speaking comfort level: the greater the percentage of Latinos comfortable with English, the smaller the share in construction, as more Latino entrepreneurs have the English fluency necessary to feel

comfortable opening firms in higher-barrier industries. However, as shown in Figure 4.13, below, the correlation is not obvious. The Pearson's correlation coefficient is actually negative.

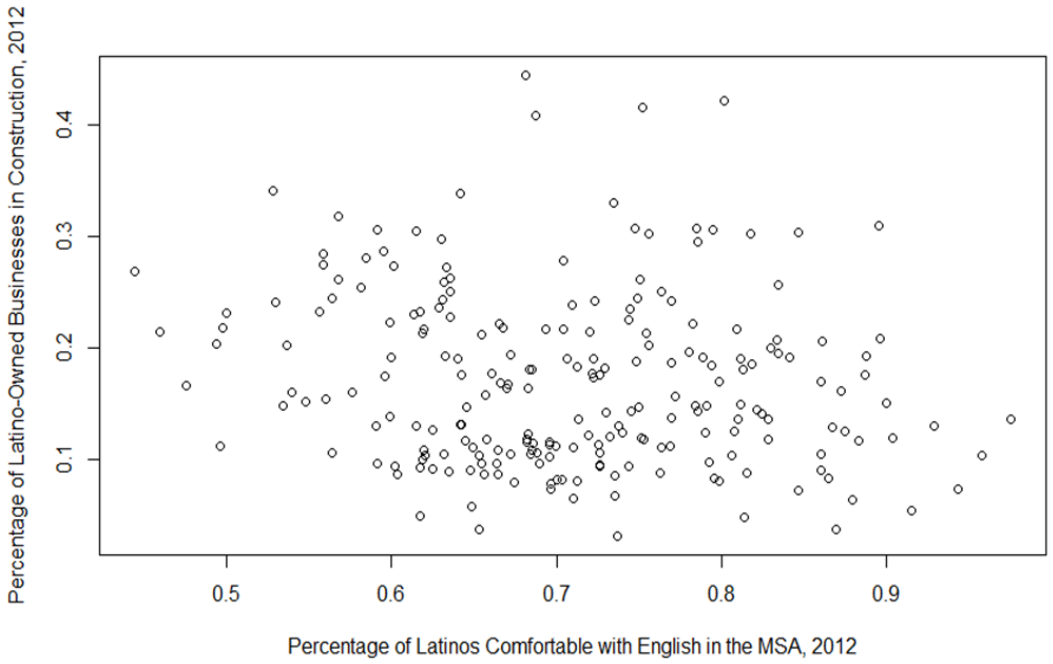


Figure 4.13: Percent of Latinos Comfortable Speaking English in the MSA vs. Percentage of Latino-Owned Businesses in Construction, 2012 (author's calculations for 222 MSAs from 2012 SBO and 2012 1-year ACS data)

There *is* a statistically significant, weakly negative relationship between percent of Latino population holding a high school degree or greater and percentage of all Latino-owned firms in construction, as illustrated in Figure 4.14, below. The slope of the line is –0.11, with a p-value of .00516 but the R^2 for the regression is 0.03335, suggesting, again, that the explanatory power of education on construction share is small. If the dependent variable is changed to percentage of all Latino-owned employer firms in construction, the significant relationship disappears.

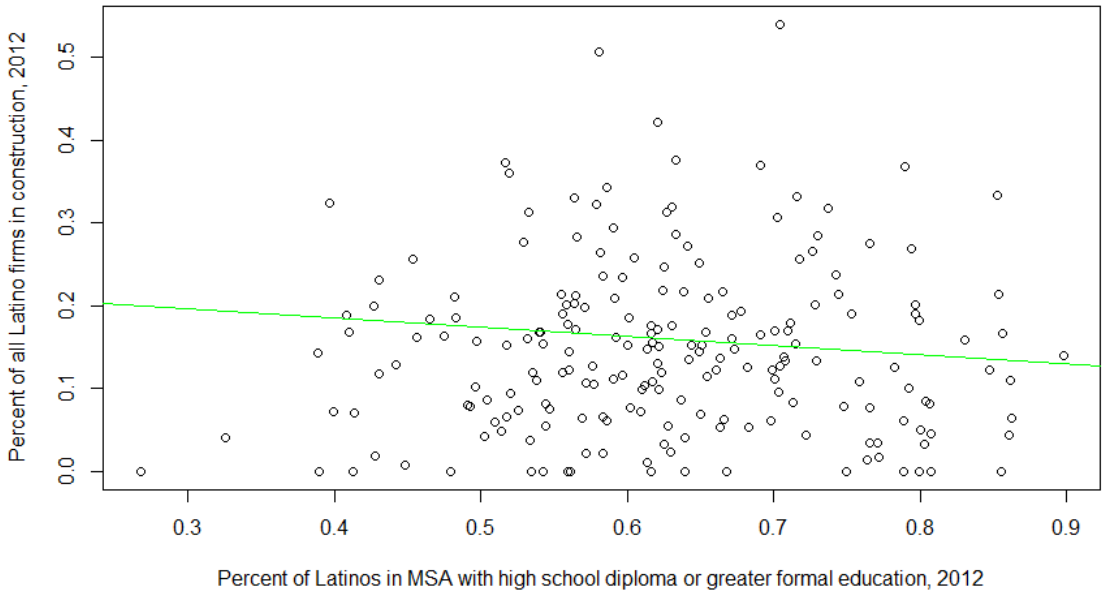


Figure 4.14: Formal Education Attainment of Local Latino Population vs. Percent of all Latino-Owned Firms in Construction, 2012 (author's calculations from 2012 SBO and 2012 1-year ACS data for 204 MSAs)

That leaves the question of whether share of Latino-owned firms in construction can be used to predict future business performance. For 41 MSAs, data is available for both overall number of firms in 2002 and 2012 and construction firms in 2002. Plotting the percentage of firms in construction in 2002 against the percentage change in number of firms between 2002 and 2012, as in Figure 4.15 below, fails to yield a statistically significant relationship. The same is true if the dependent variable is changed to change in employer firms, employees, or sales and receipts.

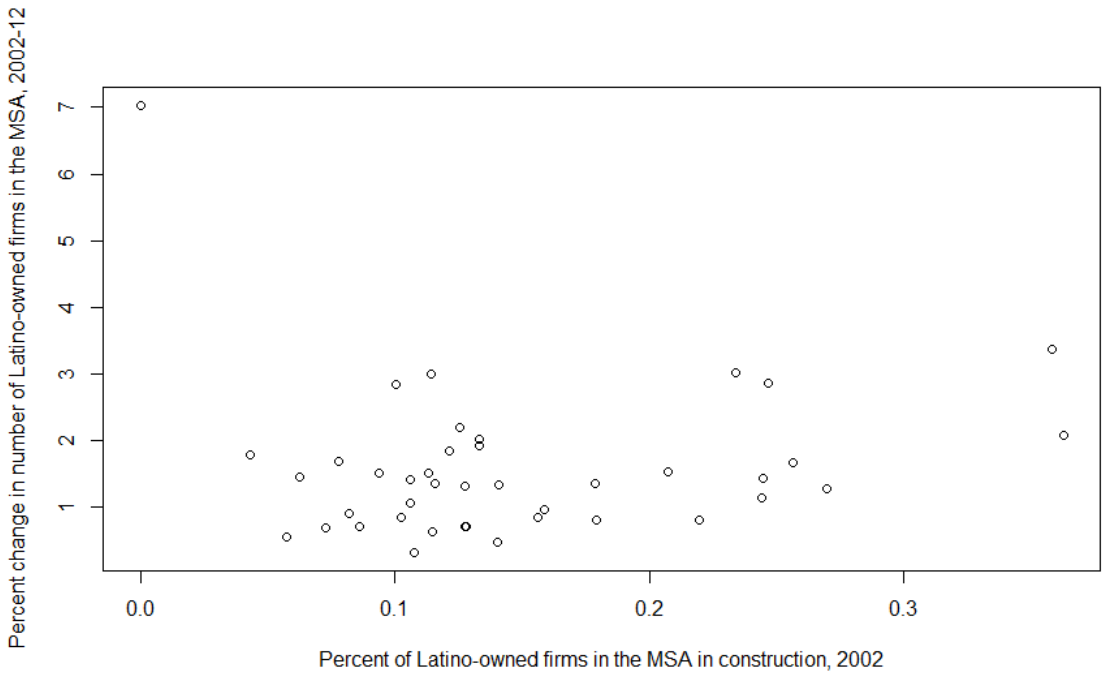


Figure 4.15: Share of Latino-Owned Firms in Construction, 2002, vs. Percent Change in Number of Latino-Owned Firms in the MSA, 2002-12 (author's calculations from 2002 and 2012 SBO data)

Share of local Latino-owned businesses in construction may still be a useful variable for an economic development planner, as it may be correlated with lower levels of formal education. It may be that Latino entrepreneurs who would rather work in a different industry are instead "pushed" into a lower-barrier industry such as construction. But by itself the construction-share variable does not give enough information to shed light on how MSA-level factors affect Latino-owned businesses.

4.4.3 Why Credit Availability Is a Difficult Independent Variable to Measure

Ideally, any comparison of MSAs would include determining whether certain MSAs made credit more easily available to Latino entrepreneurs than did others. The leitmotif of credit availability—more specifically, the lack thereof—recurs throughout the literature on immigrant entrepreneurs and minority entrepreneurs, and the ASE survey data indicates obtaining sufficient credit remains a problem for Latino entrepreneurs

nationwide. Moreover, as the literature on ethnic banks suggests, credit availability is a problem that can be addressed for and by minority business communities at the local level. It stands to reason that MSAs might differ by credit availability, and that this difference might result in differences in subsequent business performance.

Unfortunately, obtaining reliable quantitative data on credit availability at a comparative MSA level is difficult. There are several different approaches to collecting information about credit solicitation, reception, and use:

- The Survey of Business Owners asks about credit use. For the 2007 SBO, a selection of answers were reported (one firm per industry per state)[24] in the Public User Microdata Sample (PUMS). However, data was not reported at the MSA level.
- Like the SBO, the Annual Survey of Entrepreneurs collects information about credit use and availability, including whether an inability to acquire credit negatively impacted profits, as discussed earlier. However, while the ASE data is available on both a national and an MSA level, data on credit use is not broken down by ethnicity at the MSA level, making it impossible to compare how Latino entrepreneurs in particular fared when trying to obtain credit in different MSAs.
- Another potential source of credit data comes from the Department of the Treasury's annual reports on Community Development Financial Institutions (CDFIs). However, not every participating CDFI is required to report transaction-

[24] In order to further protect firm and owner privacy, some smaller states were treated as one state: Alaska and Wyoming; Delaware and the District of Columbia; North Dakota and South Dakota; Rhode Island and Vermont (Bureau of the Census, 2012).

level data every year; when CDFIs do report transaction-level data, reporting the borrower's ethnic self-identification is optional, not required. This skews the resulting data in two ways: one, it makes it impossible to tell whether a non-reporting CDFI loaned to Latinos or not, and two, it suggests that those CDFIs that *do* collect ethnic self-identification data do so because they specialize in lending to Latinos or otherwise have reason to believe that ethnic self-identification is an important variable to track. The institutional-level data collected from CDFIs does require the CDFI to specify whether or not it made loans to Latinos in the previous year, but that is the extent of the institutional-level collection; there is no data gathered in such reports as what percentages of loans were made to Latinos, or how large these loans were, or to what purpose.

For these reasons, a quantitative examination of credit availability for Latinos at the MSA level is a topic for future research. Credit availability will be explored at the individual MSA level in Section 4.5, which is a more qualitative set of observations.

4.4.4 Using the "Gateway" Typology to Understand Latino-Owned Business Performance

The idea of the immigration "gateway" has been used to illustrate trends in immigrant settlement patterns at the metropolitan level, particularly to highlight differences between metropolitan areas such as New York and San Francisco, which began receiving immigrant populations in the 19th century, and metropolitan areas that had little to no immigrant population prior to 1990. Singer (2015) classified the 104

largest metropolitan areas (which, at the time of her writing, housed 86% of the national immigrant population) into seven types of gateway, plus an eighth category, "low-immigration metro areas."[25] The gateway classification system may be useful in illuminating differences between metropolitan areas with regard to Latino entrepreneurship, in that history of immigrant settlement may have an effect on the local immigrant-run business environment. As Singer (2004) wrote:

> Established gateways such as New York, San Francisco, and Chicago are in many ways well positioned to receive and serve immigrant newcomers. After all, their long history of immigrant settlement frequently has evoked an organizational, service delivery, and advocacy infrastructure familiar with the needs of immigrants and their families. For many continuous and post-World War II gateways, moreover, immigration is part of their identity and a source of local cultural pride…. The picture is quite different, by contrast, in fast-growing emerging gateways like Atlanta, Las Vegas, Denver, and Raleigh-Durham. Here immigrants are very recent arrivals on a scene that is already stressed by the pressures of rapid population growth. Consequently, the institutional structures that can assist in the integration of immigrants—both community-based and governmental—are still being developed and strengthened.

To some degree the value of the "gateway" classification lies in its ability to highlight larger trends—for example, of migration to the "emerging" gateways. But does such a classification shed light on how Latino-owned businesses fare within the classified MSAs? There are, after all, a number of confounding variables that could reduce the utility of talking about gateways—New York and Chicago are both major-continuous gateways, for example, but they are also two of the oldest and most successful commercial centers in the country. Table 4.8, following, illustrates the differences between the different types of gateways by presenting the mean number of Latino-owned firms and growth of Latino-owned firms between 2002 and 2012. The average major-

[25] A detailed table of classifications is available in the Appendix.

continuous MSA had more than 70,000 Latino-owned firms in 2012, as opposed to an average of 1,500 Latino-owned firms in the minor-emerging MSAs.

Table 4.8: Selected Descriptive Statistics of 104 MSAs Classified by Gateway Status (author's calculations from 2002, 2007, and 2012 SBOs)

Gateway Type	Former	Major-continuous	Minor-continuous	Post-WWII	Re-emerging	Major-emerging	Minor-emerging	Low-immigration MSA
Number of MSAs in count	4	4	10	6	7	5	6	24
Mean number of Latino-owned firms, 2002	2,844	70,990	14,719	72,647	8,985	11,500	1,481	1,604
Mean number of Latino-owned firms, 2007	3,633	88,538	20,397	103,589	14,169	19,389	3,716	2,634
Mean number of Latino-owned firms, 2012	6,128	126,555	30,086	159,442	20,313	34,555	5,823	3,869
Mean number of Latino-owned employer firms, 2002	481	7,899	1,867	8,543	1,506	1,552	260	297
Mean number of Latino-owned employer firms, 2007	461	9,322	2,074	10,581	2,077	2,079	492	377
Mean number of Latino-owned employer firms, 2012	535	11,928	2,441	13,157	2,214	2,455	564	433
Mean number of people employed by Latino-owned firms, 2002	4,700	63,173	13,483	56,072	11,595	12,951	1,886	2,342
Mean number of people employed by Latino-owned firms, 2007	5,314	61,084	18,093	76,246	14,774	17,707	3,737	2,985
Mean number of people employed by Latino-owned firms, 2012	6,674	71,710	25,614	95,079	17,005	21,390	4,444	3,619
Mean percentage change in total number of firms, 2002 to12	107.1%	89.1%	107.3%	126.8%	130.1%	231.4%	303.2%	182.9%
Mean percentage change in total sales/receipts, 2002 to 2012	109.9%	73.3%	119.4%	139.6%	107.5%	138.3%	223.8%	269.0%
Mean percentage change in sales per firm, 2002 to 2012	2.9%	-8.6%	8.6%	7.8%	-5.6%	-28.0%	-13.4%	33.1%
Mean percentage change in employees, 2002 to 2012	92.7%	16.7%	97.3%	86.3%	68.3%	83.4%	163.5%	127.3%

Comparing between less starkly opposed gateway groups may for a better evaluation of the gateway classification system as a whole; comparing within gateway groups helps pinpoint the specific issues that might drive differences in Latino-owned business performance between MSAs with similar characteristics of population and immigrant settlement. Additionally, the major-continuous gateways create so much economic activity in general that it would be hard to isolate the effect of being a gateway. In other words, some benefits a Latino entrepreneur might receive from being in New York or San Francisco might be from being in a metropolitan area with more than a century's worth of immigrant settlement, but it would be difficult to separate those benefits from the benefits of being in New York or San Francisco. This section will thus feature both an explicit comparison between two different gateway groups and then a consideration of differences between MSAs within the particular groups. The groups in question will be the **re-emerging** MSAs (n = 9) and the **minor-emerging** MSAs (n = 9), which are similar in terms of their immigration-settlement patterns since 1960 (which is to say, low immigration 1960–1990 and then immigration growth considerably faster than the national average 1990–2010) but differ in terms of their history of receiving immigration, in that the re-emerging gateways had higher immigrant populations in the early 20th century and the minor-emerging gateways did not. If history of immigrant settlement, an important factor in the gateway classification, does lead to metropolitan areas being better prepared for and more supportive of immigrant entrepreneurship, then Latino-owned businesses should fare better in re-emerging MSAs than in minor-emerging MSAs.

Figure 4.16 shows the 19 MSAs in question on a map of the United States.

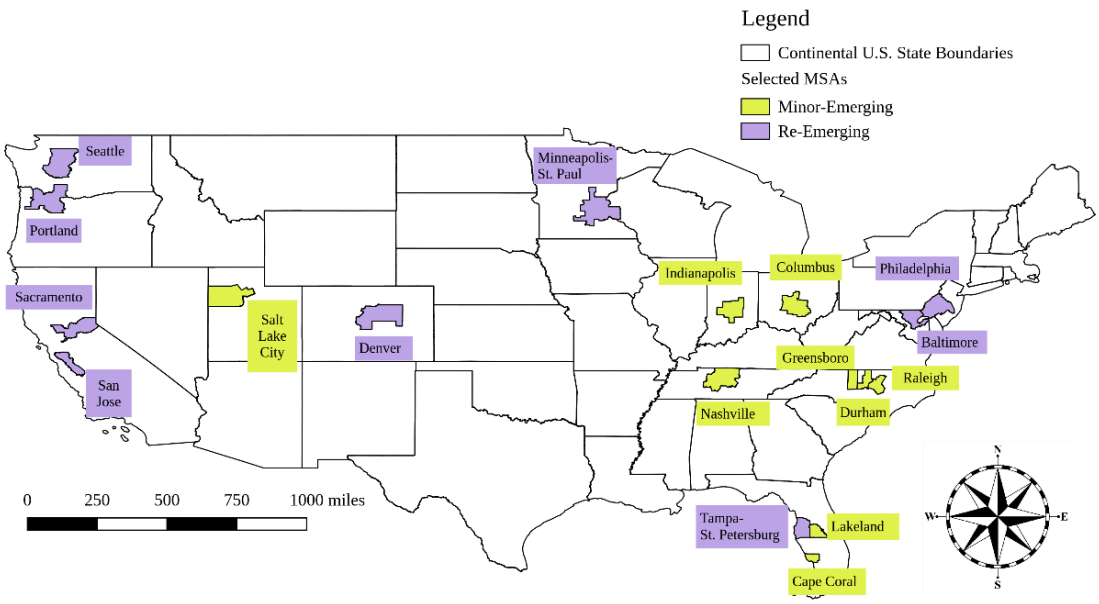


Figure 4.16: Map of Re-Emerging and Minor-Emerging MSAs (author's creation from Census Bureau TIGER GIS data)

Tables 4.9 and 4.10, below, list the re-emerging and minor-emerging MSAs, respectively, in terms of percentage of population self-identifying as Latino in 2007.

Table 4.9: Re-Emerging Gateway MSAs and Their Respective Latino Populations, 2007 (from 2007 ACS)

MSA (2007 Definition)	**Total Population, 2007**	**Latino Population, 2007**	**Percent Latino, 2007**
Baltimore-Towson, MD	2,668,056	83,593	3.13%
Denver-Aurora, CO	2,466,591	544,308	22.07%
Minneapolis-St. Paul-Bloomington, MN-WI	3,208,212	147,062	4.58%
Orlando-Kissimmee, FL	2,032,496	455,592	22.42%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	5,827,962	372,863	6.40%
Portland-Vancouver-Beaverton, OR-WA	2,174,631	219,274	10.08%

Table 4.9 continued

MSA (2007 Definition)	Total Population, 2007	Latino Population, 2007	Percent Latino, 2007
Sacramento-Arden-Arcade-Roseville, CA	2,091,120	385,813	18.45%
San Jose-Sunnyvale-Santa Clara, CA	1,803,549	479,637	26.59%
Seattle-Tacoma-Bellevue, WA	3,309,347	240,398	7.26%
Tampa-St. Petersburg-Clearwater, FL	2,723,949	388,272	14.25%

Table 4.10: Minor-Emerging Gateway MSAs and Their Respective Latino Populations, 2007 (from 2007 ACS)

MSA (2007 Definition)	Total Population, 2007	Latino Population, 2007	Percent Latino, 2007
Cape Coral-Fort Myers, FL	590,564	101,531	17.19%
Columbus, OH	1,754,337	49,951	2.85%
Durham, NC	479,624	46,740	9.75%
Greensboro-High Point, NC	698,497	46,702	6.69%
Indianapolis-Carmel, IN	1,697,964	78,507	4.62%
Lakeland, FL	574,746	89,507	15.57%
Nashville-Davidson-Murfreesboro-Franklin, TN	1,521,751	80,403	5.28%
Raleigh-Cary, NC	1,049,674	91,846	8.75%
Salt Lake City, UT	1,095,693	166,707	15.21%

Table 4.11 shows the percentage of the Latino- and non-Latino population in each of the minor-emerging and re-emerging MSAs living in a single housing unit, either attached or detached, as of the 2012 ACS. Single housing units here are offered as a very rough proxy for measuring suburbanization, more of a feature of newer gateways than the best-known major-continuous gateways. Although the two groups are not identical in their housing patterns, they are all more suburbanized than New York, the quintessential major-continuous gateway; in all of the minor-emerging and re-emerging MSAs, 65% or

greater of the non-Latino population lives in a single housing unit. An average of 54.8% of Latinos in minor-emerging MSAs and 57.5% of Latinos in re-emerging MSAs live in single housing units, as opposed to 22.5% of Latinos in New York.

Table 4.11: Latino and Non-Latino Population by Housing Unit Occupancy (author's calculations from 2012 1-year ACS)

		Population in a single housing unit	
		Non-Latino	Latino
Minor-emerging	Cape Coral-Fort Myers, FL	66.9%	72.0%
	Columbus, OH	75.0%	42.2%
	Durham-Chapel Hill	71.8%	38.9%
	Greensboro, NC	75.6%	50.8%
	Indianapolis	80.6%	63.6%
	Lakeland-Winter Haven, FL	65.1%	66.8%
	Nashville	77.2%	54.5%
	Raleigh	75.7%	45.3%
	Salt Lake City	74.3%	59.6%
	New York	46.7%	22.5%
Re-emerging	Baltimore	79.6%	65.8%
	Denver	70.2%	57.0%
	Minneapolis-St. Paul	76.6%	46.5%
	Orlando	71.1%	63.9%
	Philadelphia	78.0%	69.3%
	Portland	69.9%	44.1%
	Sacramento	76.9%	66.1%
	San Jose	67.2%	57.2%
	Seattle	67.1%	45.2%
	Tampa-St. Petersburg	65.1%	59.9%

Since economic data was not available for all the MSAs in 2002, this comparison will be done between 2007 and 2012. Tables 4.12 through 4.15 give the numbers of firms, employer firms, and revenue in the re-emerging and minor-emerging gateway MSAs for 2007 and 2012, respectively.Table 4.16, following, shows the re-emerging and minor-emerging MSAs' Latino-owned firm performance in terms of difference from the

same MSA's non-Latino-owned firm performance—in other words, if the number of Latino-owned firms grew by 33% over a five-year period while the number of non-Latino-owned firms shrank by 2%, the difference is given as 35 percentage points. In most of the MSAs in both gateway categories, the number of Latino-owned firms rose faster than non-Latino-owned firms over the same time period (which usually meant a smaller share of employer firms, as the number of all firms grew faster than the number of employer firms) but total revenue rose less dramatically, and in some cases decreased more than did non-Latino firm revenue.

Table 4.12: Comparing Latino-Owned and Non-Latino-Owned Firms in Re-Emerging Gateways, 2007 (from 2007 SBO)

MSA Name (2007)	Ethnic Identification of Business Owner	Total Number of Firms	Total Sales or Receipts, in thousands (All Firms)	Total Number of Firms with Paid Employees	Total Sales or Receipts, in thousands (Employer Firms Only)	Total Number of Employees	Percentage of Firms with Paid Employees	Mean Sales per Firm, in thousands (All Firms)	Mean Employees per Firm with Paid Employees	Mean Sales per Firm, in thousands (Employer Firms Only)
Baltimore-Towson, MD	Latino	5,815	$1,943,911	1,053	$1,712,779	9,893	18.11%	$334.29	9.40	$1,626.57
	Not Latino	222,084	$109,555,105	46,744	$95,990,061	514,787	21.05%	$493.30	11.01	$2,053.53
Denver-Aurora, CO	Latino	18,804	$5,222,467	2,244	$4,572,598	21,284	11.93%	$277.73	9.48	$2,037.70
	Not Latino	234,174	$109,861,405	49,518	$96,389,006	483,575	21.15%	$469.14	9.77	$1,946.54
Minneapolis-St. Paul-Bloomington, MN-WI	Latino	3,926	$1,658,649	597	$1,552,072	5,411	15.21%	$422.48	9.06	$2,599.79
	Not Latino	298,099	$172,213,555	62,994	$158,676,224	744,573	21.13%	$577.71	11.82	$2,518.91
Orlando-Kissimmee, FL	Latino	40,509	$5,781,364	4,929	$4,628,935	31,623	12.17%	$142.72	6.42	$939.12
	Not Latino	158,337	$79,195,504	36,876	$61,191,463	352,371	23.29%	$500.17	9.56	$1,659.38
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	Latino	15,444	$2,312,024	1,849	$1,788,331	13,462	11.97%	$149.70	7.28	$967.19
	Not Latino	443,874	$248,494,889	99,263	$202,665,308	1,046,318	22.36%	$559.83	10.54	$2,041.70
Portland-Vancouver-Beaverton, OR-WA	Latino	6,373	$1,068,547	1,007	$862,429	7,089	15.80%	$167.67	7.04	$856.43
	Not Latino	182,754	$96,392,262	42,953	$81,242,663	427,601	23.50%	$527.44	9.96	$1,891.43
Sacramento--Arden-Arcade--Roseville, CA	Latino	14,362	$2,627,850	2,347	$2,115,866	14,085	16.34%	$182.97	6.00	$901.52
	Not Latino	157,231	$65,937,795	30,207	$55,014,984	273,362	19.21%	$419.37	9.05	$1,821.27
San Jose-Sunnyvale-Santa Clara, CA	Latino	17,499	$3,135,161	2,817	$2,534,315	21,183	16.10%	$179.16	7.52	$899.65
	Not Latino	132,111	$83,120,914	28,556	$89,419,922	337,695	21.62%	$629.17	11.83	$3,131.39
Seattle-Tacoma-Bellevue, WA	Latino	9,001	$9,443,366	1,528	$9,213,716	13,925	16.98%	$1,049.15	9.11	$6,029.92
	Not Latino	279,725	$164,525,934	68,935	$133,709,882	873,073	24.64%	$588.17	12.67	$1,939.65
Tampa-St. Petersburg-Clearwater, FL	Latino	32,402	$5,169,157	4,473	$4,023,892	24,474	13.80%	$159.53	5.47	$899.60
	Not Latino	218,985	$90,463,580	47,328	$79,528,470	605,421	21.61%	$413.10	12.79	$1,680.37

Table 4.13: Comparing Latino-Owned and Non-Latino-Owned Businesses in Minor-Emerging Gateway MSAs, 2007 (from 2007 SBO)

MSA Name (2007)	Ethnic Identification of Business Owner	Total Number of Firms	Total Sales or Receipts, in thousands (All Firms)	Total Number of Firms with Paid Employees	Total Sales or Receipts, in thousands (Employer Firms Only)	Total Number of Employees	Percentage of Firms with Paid Employees	Mean Sales per Firm, in thousands (All Firms)	Mean Employees per Firm with Paid Employees	Mean Sales per Firm, in thousands (Employer Firms Only)
Cape Coral-Fort Myers, FL	Latino	8,790	$840,128	953	$561,185	4,252	10.84%	$95.58	4.46	$588.86
	Not Latino	53,005	$18,698,699	11,451	$16,435,609	92,323	21.60%	$352.77	8.06	$1,435.30
Columbus, OH	Latino	2,257	$485,051	227	$357,787	1,561	10.06%	$214.91	6.88	$1,576.16
	Not Latino	144,378	$68,062,626	24,812	$62,806,748	324,506	17.19%	$471.42	13.08	$2,531.31
Durham, NC	Latino	1,271	$239,933	146	$184,712	671	11.49%	$188.78	4.60	$1,265.15
	Not Latino	39,723	$13,024,564	8,085	$11,721,373	76,303	20.35%	$327.88	9.44	$1,449.77
Greensboro-High Point, NC	Latino	1,586	$689,332	276	$596,148	2,301	17.40%	$434.64	8.34	$2,159.96
	Not Latino	58,205	$33,728,825	11,930	$31,686,388	158,456	20.50%	$579.48	13.28	$2,656.03
Indianapolis-Carmel, IN	Latino	2,286	$597,148	394	$494,977	6,083	17.24%	$261.22	15.44	$1,256.29
	Not Latino	136,680	$69,025,378	27,929	$64,086,354	324,921	20.43%	$505.01	11.63	$2,294.62
Lakeland, FL	Latino	5,784	$960,689	508	$801,117	3,752	8.78%	$166.09	7.39	$1,577.00
	Not Latino	37,069	$16,334,198	7,789	$14,713,500	74,812	21.01%	$440.64	9.60	$1,889.01
Nashville-Davidson-Murfreesboro, TN	Latino	3,473	$829,502	477	$653,206	4,261	13.73%	$238.84	8.93	$1,369.41
	Not Latino	149,956	$74,695,532	24,347	$67,634,001	312,066	16.24%	$498.12	12.82	$2,777.92
Raleigh-Cary, NC	Latino	3,677	$769,849	446	$598,086	3,550	12.13%	$209.37	7.96	$1,341.00
	Not Latino	91,783	$44,413,828	19,395	$40,902,635	211,527	21.13%	$483.90	10.91	$2,108.93
Salt Lake City, UT	Latino	4,892	$916,236	708	$778,779	4,852	14.47%	$187.29	6.85	$1,099.97
	Not Latino	94,756	$56,316,188	22,693	$52,555,719	273,424	23.95%	$594.33	12.05	$2,315.94

Table 4.14: Comparing Latino-Owned and Non-Latino-Owned Businesses in Re-Emerging Gateway MSAs, 2012 (from 2012 SBO)

MSA Name (2012)	Ethnic Identification of Business Owner	Total Number of Firms	Total Sales or Receipts, in thousands (All Firms)	Total Number of Firms with Paid Employees	Total Sales or Receipts, in thousands (Employer Firms Only)	Total Number of Employees	Percentage of Firms with Paid Employees	Mean Sales per Firm, in thousands (All Firms)	Mean Employees per Firm with Paid Employees	Mean Sales per Firm, in thousands (Employer Firms Only)
Baltimore-Towson, MD	Latino	7,549	$1,433,025	977	$1,224,538	7,728	12.94%	$189.83	7.91	$1,253.37
	Not Latino	226,892	$104,134,418	45,461	$101,510,142	515,048	20.04%	$458.96	11.33	$2,232.91
Denver-Aurora-Broomfield, CO	Latino	30,707	$3,998,436	2,441	$3,027,983	22,604	7.95%	$130.21	9.26	$1,240.47
	Not Latino	237,747	$105,221,871	51,607	$99,960,401	488,614	21.71%	$442.58	9.47	$1,936.95
Minneapolis-St. Paul-Bloomington, MN-WI	Latino	7,189	$1,457,837	843	$1,242,114	6,585	11.73%	$202.79	7.81	$1,473.44
	Not Latino	306,756	$169,369,943	63,603	$161,319,182	714,514	20.73%	$552.13	11.23	$2,536.35
Orlando-Kissimmee-Sanford, FL	Latino	61,157	$5,355,857	4,624	$4,053,170	33,288	7.56%	$87.58	7.20	$876.55
	Not Latino	165,625	$66,184,757	36,929	$72,728,159	387,721	22.30%	$399.61	10.50	$1,969.41
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	Latino	22,577	$2,768,919	2,275	$2,138,275	19,560	10.08%	$122.64	8.60	$939.90
	Not Latino	446,026	$220,739,822	96,996	$229,249,063	1,133,598	21.75%	$494.90	11.69	$2,363.49
Portland-Vancouver-Hillsboro, OR-WA	Latino	9,149	$1,383,957	1,568	$1,133,676	9,916	17.14%	$151.27	6.32	$723.01
	Not Latino	191,892	$88,458,931	43,920	$89,099,367	435,072	22.89%	$460.98	9.91	$2,028.67
Sacramento--Arden-Arcade--Roseville, CA	Latino	18,194	$3,111,246	2,049	$2,613,404	20,416	11.26%	$171.00	9.96	$1,275.45
	Not Latino	147,751	$61,065,709	29,364	$59,214,929	315,466	19.87%	$413.30	10.74	$2,016.58
San Jose-Sunnyvale-Santa Clara, CA	Latino	23,913	$4,239,579	3,125	$3,520,917	24,749	13.07%	$177.29	7.92	$1,126.69
	Not Latino	136,789	$95,737,762	30,437	$76,596,715	311,607	22.25%	$699.89	10.24	$2,516.57
Seattle-Tacoma-Bellevue, WA	Latino	11,906	Not available	1,802	Not available	Not available	15.14%	Not available	Not available	Not available
	Not Latino	282,737	$144,916,801	67,988	$153,208,802	701,058	24.05%	$512.55	10.31	$2,253.47
Tampa-St. Petersburg-Clearwater, FL	Latino	45,490	$4,478,613	4,494	$3,406,890	27,037	9.88%	$98.45	6.02	$758.10
	Not Latino	208,185	$86,077,764	47,492	$81,372,267	567,508	22.81%	$413.47	11.95	$1,713.39

Table 4.15: Comparing Latino-Owned and Non-Latino-Owned Businesses in Minor-Emerging Gateway MSAs, 2012 (from 2012 SBO data)

MSA Name (2012)	Ethnic Identification of Business Owner	Total Number of Firms	Total Sales or Receipts, in thousands (All Firms)	Total Number of Firms with Paid Employees	Total Sales or Receipts, in thousands (Employer Firms Only)	Total Number of Employees	Percentage of Firms with Paid Employees	Mean Sales per Firm, in thousands (All Firms)	Mean Employees per Firm with Paid Employees	Mean Sales per Firm, in thousands (Employer Firms Only)
Cape Coral-Fort Myers, FL	Latino	12,262	$924,456	933	$622,292	4,339	7.61%	$75.39	4.65	$666.98
	Not Latino	51,278	$15,661,565	10,947	$13,900,151	100,419	21.35%	$305.42	9.17	$1,269.77
Columbus, OH	Latino	3,599	$450,997	234	$330,406	2,881	6.50%	$125.31	12.31	$1,411.99
	Not Latino	158,108	$68,960,077	24,988	$63,103,019	347,201	15.80%	$436.16	13.89	$2,525.33
Durham-Chapel Hill, NC	Latino	1,968	$356,578	270	$280,700	1,829	13.72%	$181.19	6.77	$1,039.63
	Not Latino	43,970	$14,496,552	7,929	$13,252,454	81,196	18.03%	$329.69	10.24	$1,671.39
Greensboro-High Point, NC	Latino	2,316	$457,274	337	$393,296	2,271	14.55%	$197.44	6.74	$1,167.05
	Not Latino	58,462	$27,173,489	11,168	$25,271,029	137,365	19.10%	$464.81	12.30	$2,262.81
Indianapolis-Carmel, IN	Latino	2,286	$1,127,400	551	$947,718	7,289	24.10%	$493.18	13.23	$1,720.00
	Not Latino	149,767	$76,600,467	29,415	$71,532,572	371,097	19.64%	$511.46	12.62	$2,431.84
Lakeland-Winter Haven, FL	Latino	7,677	$982,925	481	$807,876	2,929	6.27%	$128.04	6.09	$1,679.58
	Not Latino	35,529	$14,888,178	7,216	$13,869,726	67,172	20.31%	$419.04	9.31	$1,922.08
Nashville-Davidson-Murfreesboro, TN	Latino	6194	$1,405,561	497	$1,153,040	5,803	8.02%	$226.92	11.68	$2,320.00
	Not Latino	157,533	$69,202,726	24,954	$61,935,124	289,084	15.84%	$439.29	11.58	$2,481.97
Raleigh-Cary, NC	Latino	5,868	$1,102,100	649	$866,662	4,191	11.06%	$187.82	6.46	$1,335.38
	Not Latino	100,215	$44,225,250	20,701	$40,697,725	215,393	20.66%	$441.30	10.40	$1,965.98
Salt Lake City, UT	Latino	7,327	$842,083	794	$652,607	5,135	10.84%	$114.93	6.47	$821.92
	Not Latino	92,164	$53,904,024	21,749	$50,816,647	245,130	23.60%	$584.87	11.27	$2,336.50

Table 4.16: Selected Changes in Latino-Owned (Relative to Non-Latino-Owned) Firm Performance, 2007-12 (author's calculations from 2007 and 2012 SBO data)

	Latino-owned firms relative to non-Latino owned firms in same MSA, 2007-12									
	Change in total number of firms	**Change in total number of firms with paid employees**	**Change in total number of employees**	**Change in total sales and receipts**	**Change in total payroll**	**Change in mean sales per firm**	**Change in percent of all firms with paid employees**	**Change in mean employees per firm with paid employees**	**Change in mean sales per firm with paid employees**
Re-emerging MSAs:									
Baltimore-Towson, MD	27.65%	-4.47%	-21.83%	-21.33%	-33.31%	-36.25%	-23.72%	-18.58%	-20.18%
Denver-Aurora, CO	61.77%	4.56%	7.23%	-19.21%	9.48%	-47.45%	-36.04%	2.67%	-31.65%
Minneapolis-St. Paul-Bloomington, MN-WI	80.21%	40.24%	17.49%	-10.46%	-12.93%	-47.57%	-21.00%	-17.03%	-40.74%
Orlando-Kissimmee, FL	46.37%	-6.33%	14.38%	9.07%	11.29%	-18.53%	-33.60%	21.46%	9.32%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	45.70%	25.32%	53.00%	30.93%	26.00%	-6.48%	-13.08%	23.63%	6.71%
Portland-Vancouver-Beaverton, OR-WA	38.56%	53.46%	41.60%	37.75%	54.34%	2.82%	11.08%	-6.29%	-4.75%
Sacramento--Arden-Arcade--Roseville, CA	32.71%	-9.91%	58.30%	25.78%	31.40%	-5.09%	-34.53%	76.89%	45.90%
San Jose-Sunnyvale-Santa Clara, CA	33.11%	4.35%	8.46%	20.05%	27.41%	-12.28%	-21.76%	3.64%	15.71%
Seattle-Tacoma-Bellevue, WA	*Seattle SBO 2012 data was not available.*								
Tampa-St. Petersburg-Clearwater, FL	45.32%	0.12%	3.79%	-8.51%	-10.34%	-38.37%	-33.99%	3.64%	-13.13%
Minor-emerging MSAs:									
Cape Coral-Fort Myers, FL	42.76%	2.30%	-6.72%	26.28%	2.82%	-7.70%	-28.64%	-9.54%	24.80%
Columbus, OH	49.95%	2.37%	77.57%	-8.34%	12.77%	-34.21%	-27.32%	72.80%	-10.18%
Durham, NC	44.15%	86.86%	166.17%	37.31%	73.88%	-4.57%	30.84%	38.89%	-33.11%
Greensboro-High Point, NC	45.59%	28.49%	12.01%	-14.23%	26.97%	-34.78%	-9.59%	-11.77%	-31.16%
Indianapolis-Carmel, IN	103.59%	34.53%	5.61%	77.82%	59.44%	-12.71%	-30.51%	-22.76%	30.93%
Lakeland, FL	36.88%	2.04%	-11.72%	11.17%	17.49%	-18.01%	-25.32%	-14.47%	4.75%
Nashville-Davidson--Murfreesboro--Franklin, TN	73.29%	1.70%	43.55%	76.80%	35.89%	6.82%	-39.14%	40.33%	80.07%
Raleigh-Cary, NC	50.40%	38.78%	16.23%	43.58%	30.93%	-1.49%	-6.57%	-14.27%	6.36%
Salt Lake City, UT	52.51%	16.31%	16.18%	-3.81%	-15.75%	-37.05%	-23.66%	0.83%	-26.17%

Now the question is whether there are differences in particular independent variables that would help explain differences between the two groups. Drawing from the literature, this analysis will test the following independent variables:

- **Percent of the MSA identifying as Latino in 2007.** It still makes sense to hypothesize that MSAs with larger Latino populations will, all other things being equal, have more successful Latino businesses.
- **Percent of Latinos living in a home they owned in 2007.** This might be related to business performance in that homeowning Latino entrepreneurs would have a line of credit to draw from that non-homeowning Latino entrepreneurs would not.
- **Percent of Latinos living above the poverty level in 2007.** This would speak to both the relative purchasing strength of Latinos in the MSAs and the potential of Latino entrepreneurs to use personal savings in starting their businesses.
- **Percent of Latinos holding US citizenship in 2007.** Latinos holding US citizenship could be presumed to be more familiar with American business laws and customs; even if any given individual Latino entrepreneur were not a citizen themselves, they might still benefit from being in close proximity to citizens who could offer formal or informal guidance.
- **Percent of Latinos who could speak English "well" or better in 2007.** As with the previous four independent variables, this is hypothesized to be directly correlated with business performance: Latinos with greater English fluency should have an easier time navigating American business regulations and establishing and maintaining their own businesses.

- **Percent of Latinos with a high school diploma or greater level of formal education, 2007.** As previously noted, there seems to be a correlation between business success and higher levels of formal education. Higher levels of formal education also increase the number of potential industries the entrepreneur can enter.
- **Presence in the MSA of a CDFI that made loans to Latinos and minority-owned firms, 2003–2007.** This is a dummy variable generated from the Institution-Level Reports made publicly available (Community Development Financial Institutions (CDFI) Fund, 2015). If the MSA contained a CDFI that reported it had made loans to Latinos between the fiscal years for 2003 and 2007, the MSA received a 1, otherwise a 0.[26] The hypothesis is that Latino-owned firms in MSAs with a CDFI present will, on average, have better business performance than Latino-owned firms that lack access to such a loan source.
- **Legal expression of anti-immigrant sentiment in the MSA.** Unlike all of the independent variables previously listed, this variable would be expected to vary inversely with Latino-owned business performance: as in, Latino businesses would be expected to be doing worse in MSAs with anti-immigrant sentiment strong enough to be translated into legal expression. As Walker and Leitner's (2011) research suggested, anti-immigrant sentiment can vary geographically and have multiple levels of expression. Two dummy variables can be used to measure anti-immigrant sentiment in the MSAs. The first is a dummy variable as to

[26] One caveat is that the CDFI is not required to report whether the loans it made to Latinos were for business or personal (including home-buying) purposes.

whether the MSA included a law enforcement agency that had signed a 287(g) agreement with the Department of Homeland Security's Immigration and Customs Enforcement (ICE) division as of January 2009 (U.S. Department of Homeland Security Immigration and Customs Enforcement (ICE)).[27] The second is a dummy variable based on the compilation by Monogan (2013) of state legislation passed between 2005 and 2011. Monogan's analysis is incomplete for analysis at the MSA level because it deals only with state-based legislation. Nevertheless, this analysis is valuable because it encompasses both the tone ("welcoming" or "hostile") and the seriousness of the legislation: on a four-point scale, a symbolic measure received one point; one that affects a small subset of immigrants received two points; a law affecting many immigrants substantially, three points; and a law that directly affected immigrants' right to live in a state, four points (Monogan, 2013). Table 4.17 lists Monogan's scores for those states housing the re-emerging and minor-emerging gateway MSAs, from most negative (most hostile) to most positive (most welcoming).

Table 4.17: Minor-Emerging and Re-Emerging Gateway MSAs by Score of State Legislature, 2005-11 (from Monogan, 2013)

MSA Name	**Gateway Status**	**Primary State**	**State Analysis Score**
Nashville-Davidson--Murfreesboro--Franklin, TN	Minor-emerging	Tennessee	-0.66
Durham, NC	Minor-emerging	North Carolina	-0.61

[27] In two cases (Denver and Nashville), ICE signed a memorandum with a state agency (the Colorado Department of Public Safety and the Tennessee Highway Patrol, respectively), and the MSA listed is the capital city of the state and thus the location of the state agency's main office. Since the aim was to capture broad anti-immigrant sentiment rather than track specific city legislation, both Denver and Nashville were counted as playing host to 287(g) agreements.

Table 4.17 continued

MSA Name	Gateway Status	Primary State	State Analysis Score
Greensboro-High Point, NC	Minor-emerging	North Carolina	-0.61
Raleigh-Cary, NC	Minor-emerging	North Carolina	-0.61
Salt Lake City, UT	Minor-emerging	Utah	-0.59
Portland-Vancouver-Beaverton, OR-WA	Re-emerging	Oregon	-0.45
Indianapolis-Carmel, IN	Minor-emerging	Indiana	-0.2
Denver-Aurora, CO	Re-emerging	Colorado	-0.14
Minneapolis-St. Paul-Bloomington, MN-WI	Re-emerging	Minnesota	-0.05
Orlando-Kissimmee, FL	Re-emerging	Florida	0.37
Tampa-St. Petersburg-Clearwater, FL	Re-emerging	Florida	0.37
Cape Coral-Fort Myers, FL	Minor-emerging	Florida	0.37
Lakeland, FL	Minor-emerging	Florida	0.37
Columbus, OH	Minor-emerging	Ohio	0.79
Baltimore-Towson, MD	Re-emerging	Maryland	0.98
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	Re-emerging	Pennsylvania	1.24
Sacramento--Arden-Arcade--Roseville, CA	Re-emerging	California	1.41
San Jose-Sunnyvale-Santa Clara, CA	Re-emerging	California	1.41
Seattle-Tacoma-Bellevue, WA	Re-emerging	Washington	1.41

Tables 4.18 and 4.19, below, show the differences between the individual MSAs in terms of the non-dummy independent variables, based on numbers taken from the 2007 1-year ACS. The re-emerging MSAs are larger than the minor-emerging MSAs. Compared to the re-emerging MSAs, the Latino population of the minor-emerging MSAs are less likely to be US citizens, to own their own homes, to describe themselves as speaking English well or better, and to have a high school diploma or greater.

Table 4.18: Selected Measures of Latino Populations in Re-emerging MSAs (author's calculations from 2007 1-year ACS)

MSA Name (2007)	Total population	Population identifying as Latino		Percent of Latino households living in owned home	Percent of Latinos with US citizenship	Percent of Latinos living above the poverty level	Percent of Latinos who speak English "well" or more comfortably	Percent of Latinos with a high school diploma or higher level of formal education
		Number	Percent					
Baltimore-Towson, MD	2,668,056	83,593	3.13%	59.34% (14,041 / 23,660)	70.23% (58,705 / 83,593)	88.18% (70,213 / 79,628)	77.46% (57,021 / 73,614)	71.74% (34,687 / 48,350)
Denver-Aurora, CO	2,466,591	544,308	22.07%	52.02% (81,597 / 156,871)	73.21% (398,473 / 544,308)	76.02% (408,460 / 537,274)	77.93% (373,229 / 478,925)	63.84% (188,439 / 295,183)
Minneapolis-St. Paul-Bloomington, MN-WI	3,208,212	147,062	4.58%	46.88% (18,712 / 39,914)	64.41% (94,719 / 147,062)	80.33% (115,829 / 144,188)	75.41% (95,908 / 127,176)	61.62% (46,732 / 75,843)
Orlando-Kissimmee, FL	2,032,496	455,592	22.42%	54.24% (76,967 / 141,903)	78.59% (358,045 / 455,592)	84.61% (380,373 / 449,546)	79.37% (326,975 / 411,957)	78.30% (212,489 / 271,393)
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	5,827,962	372,863	6.40%	46.01% (49,842 / 108,323)	81.75% (304,807 / 372,863)	69.63% (251,850 / 361,718)	78.27% (257,991 / 329,624)	60.93% (119,428 / 196,011)
Portland-Vancouver-Beaverton, OR-WA	2,174,631	219,274	10.08%	39.83% (21,731 / 54,563)	61.32% (134,450 / 219,274)	78.05% (167,925 / 215,162)	71.46% (137,247 / 192,072)	55.52% (63,617 / 114,589)
Sacramento--Arden-Arcade--Roseville, CA	2,091,120	385,813	18.45%	51.92% (56,064 / 107,985)	76.13% (293,723 / 385,813)	83.11% (313,672 / 377,411)	80.33% (276,823 / 344,625)	64.89% (132,773 / 204,597)
San Jose-Sunnyvale-Santa Clara, CA	1,803,549	479,637	26.59%	50.26% (57,631 / 114,668)	69.74% (334,495 / 479,637)	85.10% (396,463 / 465,871)	74.65% (320,161 / 428,865)	59.18% (159,309 / 269,207)
Seattle-Tacoma-Bellevue, WA	3,309,347	240,398	7.26%	42.08% (28,224 / 67,071)	68.54% (164,776 / 240,398)	80.89% (190,909 / 235,998)	79.18% (166,125 / 209,800)	70.07% (90,074 / 128,554)
Tampa-St. Petersburg-Clearwater, FL	2,723,949	388,272	14.25%	55.74% (71,567 / 128,393)	76.78% (298,134 / 388,272)	84.23% (322,949 / 383,433)	78.53% (275,962 / 351,400)	72.90% (168,606 / 231,297)
Mean	2,830,591	331,681	13.52%	49.83%	72.07%	81.02%	77.26%	65.90%
Median	2,567,324	379,338	12.17%	51.09%	71.72%	82.00%	78.10%	64.37%

Table 4.19: Selected Measures of Latino Populations in Minor-emerging MSAs (author's calculations from 2007 1-year ACS)

MSA Name (2007)	Total population	Population identifying as Latino		Percent of Latino households living in owned home	Percent of Latinos with US citizenship	Percent of Latinos living above the poverty level	Percent of Latinos who speak English "well" or more comfortably	Percent of Latinos with a high school diploma or higher level of formal education
		Number	Percent					
Cape Coral-Fort Myers, FL	590,564	101,531	17.19%	54.72% (17,244 / 31,511)	63.75% (64,728 / 101,531)	80.61% (80,643 / 100,044)	69.25% (61,988 / 89,519)	66.39% (38,528 / 58,037)
Columbus, OH	1,754,337	49,951	2.85%	27.45% (4,491 / 16,363)	66.06% (32,998 / 49,951)	77.36% (38,236 / 49,423)	77.71% (33,040 / 42,516)	70.08% (18,220 / 25,999)
Durham, NC	479,624	46,740	9.75%	32.10% (3,624 / 11,291)	41.97% (19,618 / 46,740)	77.15% (35,243 / 45,684)	54.41% (21,986 / 40,406)	47.47% (12,382 / 26,086)
Greensboro-High Point, NC	698,497	46,702	6.69%	49.88% (6,180 / 12,389)	51.85% (24,215 / 46,702)	63.69% (28,956 / 45,466)	63.00% (25,336 / 40,214)	51.66% (12,776 / 24,731)
Indianapolis-Carmel, IN	1,697,964	78,507	4.62%	45.79% (9,235 / 20,168)	57.35% (45,022 / 78,507)	77.99% (60,354 / 77,385)	66.90% (44,123 / 65,958)	58.37% (23,711 / 40,623)
Lakeland, FL	574,746	89,507	15.57%	55.91% (14,445 / 25,834)	72.01% (64,456 / 89,507)	75.98% (67,187 / 88,427)	69.09% (54,523 / 78,919)	59.68% (29,383 / 49,235)
Nashville-Davidson--Murfreesboro--Franklin, TN	1,521,751	80,403	5.28%	35.70% (7,290 / 20,423)	49.17% (39,531 / 80,403)	74.34% (58,517 / 78,712)	68.51% (46,539 / 67,932)	51.01% (21,472 / 42,097)
Raleigh-Cary, NC	1,049,674	91,846	8.75%	42.76% (11,128 / 26,023)	49.78% (45,717 / 91,846)	77.83% (70,344 / 90,383)	67.39% (52,472 / 77,863)	53.24% (26,130 / 49,079)
Salt Lake City, UT	1,095,693	166,707	15.21%	48.18% (19,752 / 40,998)	67.30% (112,195 / 166,707)	82.67% (134,715 / 162,954)	71.48% (103,894 / 145,337)	62.16% (53,254 / 85,676)
Mean	1,051,428	83,544	9.55%	43.61%	57.69%	76.40%	67.53%	57.78%
Median	1,049,674	80,403	8.75%	45.79%	57.35%	77.36%	68.51%	58.37%

Table 4.20 shows the MSAs in terms of the three dummy variables, one on CDFI presence and two on anti-immigrant sentiment. To make the dummy variable based on legislative evaluation act similarly to that based on 287(g) agreement signing, a 1 was assigned to any MSA in a state with a total negative score (see Table 4.40, above) and a 0 assigned to any MSA in a state with a total positive score.

Table 4.20: Dummy Variables for Re-emerging and Minor-emerging MSAs (author's assignments)

	Dummy for legislative score by Monogan (2013) (<0 = yes, >0 = no)	**Dummy for 287(g) agreement in 2009 (1 = yes, 0 = no)**	**Dummy for presence of CDFI lending to Latinos & minority-owned firms, 2003-07**
Re-emerging MSAs:			
Baltimore-Towson, MD	0	0	0
Denver-Aurora, CO	1	1	1
Minneapolis-St. Paul-Bloomington, MN-WI	1	0	1
Orlando-Kissimmee, FL	0	0	1
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	0	0	1
Portland-Vancouver-Beaverton, OR-WA	1	0	1
Sacramento--Arden-Arcade--Roseville, CA	0	0	1
San Jose-Sunnyvale-Santa Clara, CA	0	0	1
Seattle-Tacoma-Bellevue, WA	0	0	1
Tampa-St. Petersburg-Clearwater, FL	0	0	0
Minor-emerging MSAs:			
Cape Coral-Fort Myers, FL	0	0	0
Columbus, OH	0	0	1
Durham, NC	1	1	1
Greensboro-High Point, NC	1	0	0
Indianapolis-Carmel, IN	1	0	1
Lakeland, FL	0	0	0
Nashville-Davidson--Murfreesboro--Franklin, TN	1	1	1
Raleigh-Cary, NC	1	0	0
Salt Lake City, UT	1	0	1

Finally, Table 4.21 gives the results of the logit regression analysis done on nine minor-emerging MSAs and eight re-emerging MSAs (data for Seattle was not available). Statistically significant results where $p < 0.1$ or less are bolded.

*Table 4.21: Logit Regression Analysis on Re-emerging and Minor-emerging MSAs (. = p <0.1, * = p < 0.05, ** = p <0.01) (author's calculations)*

Re-emerging MSAs (n = 9)										
	Percent population identifying as Latino, 2007	Percent Latinos living in a home they own, 2007	Percent Latinos living above the poverty level, 2007	Percent of Latinos who hold US citizenship, 2007	Percent of Latinos who speak English "well" or more comfortably, 2007	Percent of Latinos with a high school diploma or more formal education, 2007	Dummy for legislative score by Monogan (2013)	Dummy for 287(g) agreement in 2009 (1 = yes, 0 = no)	Dummy for presence of CDFI lending to Latinos & minority-owned firms, 2003-07
Total number of firms, 2012	0.0709	0.277	0.734	**0.0616(.)**	0.156	0.158	0.30538	0.7689	0.9108
Total number of employer firms, 2012	**0.0376(*)**	0.363	0.636	**0.0935(.)**	0.297	0.127	0.19519	0.97359	0.7939
Total sales and receipts, 2012	**0.00740 (**)**	0.245	0.679	**0.0603 (.)**	0.163	0.162	0.244566	0.573352	0.86
Total employees, 2012	**0.00803 (**)**	0.344	0.837	**0.0334 (*)**	0.15	0.192	0.177533	0.715	0.7872
Total payroll, 2012	**0.00539 (**)**	0.325	0.685	0.1159	0.357	0.435	0.190063	0.61782	0.921
Change in total firms, 2007-12	**0.0976 (.)**	0.356	0.917	0.1003	0.207	**0.0635 (.)**	0.5571	0.5287	0.916
Change in total employer firms, 2007-12	0.59	**0.0149 (*)**	**0.0780 (.)**	0.182	**0.0133 (*)**	**0.00616 (**)**	0.146	0.809	0.477
Change in total sales, 2007-12	0.792	0.217	0.88	0.756	0.38	0.117	0.426	0.0902	0.271
Minor-emerging MSAs (n = 9)									
Total number of firms, 2012	**0.0765(.)**	**0.0638(.)**	0.125	**0.0915(.)**	0.212	0.122	0.1832	0.42433	0.32365
Total number of employer firms, 2012	**0.0618(.)**	**0.0351(*)**	0.259	0.981	0.404	0.3	0.85768	0.360699	0.44403
Total sales and receipts, 2012	0.454	0.267	0.413	0.638	0.352	0.927	0.73222	0.899938	0.90986
Total employees, 2012	0.88	0.448	0.295	0.571	0.311	0.578	0.449	0.83415	0.36987
Total payroll, 2012	0.574	0.198	0.255	0.519	0.409	0.586	0.791	0.541179	0.8259
Change in total firms, 2007-12	**0.40440(*)**	0.2548	0.837	0.305	0.976	0.604	0.63792	0.641557	0.8685
Change in total employer firms, 2007-12	0.698	0.743	0.835	0.118	0.283	0.196	**0.0193(*)**	0.9414	0.681
Change in total sales, 2007-12	0.45	0.65	0.466	0.351	0.93	0.468	0.381	0.274	0.391

Of the hypothesized relationships, only one—percent of the population identifying as Latino—shows statistical significance across multiple dependent variables, and then mostly for the re-emerging MSAs only. It is possible that the importance of the size of the Latino population varies with the size of the MSA, or that a Latino population needs to reach a certain minimum size before its impact can be measured in business statistics. There is some evidence of a correlation between growth in number of Latino-owned firms and share of the local Latino population holding US citizenship, but again, the effect seems limited to the re-emerging MSAs—a counterintuitive finding; one would expect to find that citizenship would matter more in the minor-emerging MSAs, where smaller percentages of Latinos, generally speaking, are citizens. The three dummy variables fail to generate much in the way of predictive value.

While this analysis does suggest some potential differences between the groups of gateways, its main result is to suggest that *aggregate* business performance, at least as measured by the SBO, is not the most useful measurement when looking at Latino-owned firms. Shifts in migration and business formation are happening so rapidly that a five-year time frame fails to capture much of the activity, and an MSA-level view makes it, understandably, difficult to understand how individual Latino entrepreneurs experience the local business environment.

4.5 Further Testing of the Gateway Typology and Metropolitan Business Environments

An alternative explanation is that the SBO data, although the best source of firm-level data grouped by metropolitan area, is not suited to this kind of analysis. An alternate approach was used by Q. Wang (2015, 2018) in analyzing minority entrepreneurship, first in multiple metropolitan labor markets and then in different parts of Los Angeles: hierarchical-level modeling, using both individual-level and metropolitan-area-level variables taken from the five-year ACS and cross-tabulated by IPUMS (Ruggles, Genadek, Goeken, Grover, & Sobek, 2017). Hierarchical-level modeling needs to be used with caution: Q. Wang (2018) warns, "[I]t is impossible to provide a causal relationship between PUMA characteristics and individual business ownership in the current analyses." But this more recent research does suggest a potential alternative method of comparing different metropolitan areas with the aim of understanding the utility of the gateway typology.

This analysis will now move from comparing two sets of gateways to comparing the 57 metropolitan areas classified in the gateway typology as receiving, or previously having received, immigrants. It will look at a variety of independent variables, including one specific to the gateway typology, to measure the effects on Latino self-employment. Since its focus is broader than the previous analysis, it will include variables that speak to the economic health of the MSA as a whole, not just its Latino population. This time the data will primarily come from the 5-year 2010–14 ACS, in this case the 2009–14 5-year ACS in order to avoid selecting for the beginning and ending of a recession, and to avoid duplication of earlier efforts.

The dependent variable will be percentage of Latinos self-employing, as generated in a cross-tabulation via IPUMS (Ruggles et al., 2017). Table 4.22 lists the independent variables.

Table 4.22: Independent Variables Used in Comparing Gateway MSAs (source is 2010–14 5-year ACS data unless otherwise stated)

Variable Code	Variable Description	Source
PCT_SE_NOT_LAT	Percentage of non-Latino labor force reporting self-employment	IPUMS cross-tabulation
PCT_LAT_LABOR	Percentage of the labor force identifying as Latino	IPUMS cross-tabulation
PCT_UNEM	Percent unemployed in the MSA	Table S2301
PCT_FB	Percentage of the MSA population born outside the United States	Table S0501
PCT_125POV	Percent in the MSA living at 125% of the poverty level or below	Table S1701
HIST_DUM	A dummy variable to represent history of immigrant settlement in the MSA (major-emerging and minor-emerging gateway MSAs = 0, all other gateway MSAs = 1)	Author's calculations based on Singer (2015)
ANTI_DUM	A dummy variable to represent immigrant-welcoming or immigrant-hostile legislation passed at the state level, based on Monogan (2013) (1 = more welcoming, 0 = more hostile)	Author's calculations
PCT_PRO_IND	Percentage of the total labor force in the MSA working in professional services	Table S2407
PCT_CONST_IND	Percentage of the total labor force in the MSA working in construction	Table S2407
CDFI_MEAN_DUM	A dummy variable to represent presence of CDFIs making loans to Latinos in the MSA, 2010–14 (1 = greater than mean CDFI presence per Latino worker, 0 = less)	CDFI institution-level data from the Department of the Treasury and IPUMS cross-tabulation
CDFI_MED_DUM	A dummy variable to represent presence of CDFIs making loans to Latinos in the MSA, 2010–14 (1 = greater than median CDFI presence per Latino worker, 0 = less)	CDFI institution-level data from the Department of the Treasury and IPUMS cross-tabulation

4.5.1 Summary Statistics

Table 4.23 shows the percentage of the eligible workforce, both Latino and non-Latino, reporting self-employment by gateway category. The gateway typology would suggest that Latino self-employment would be higher in those gateways with a longer history of immigrant settlement, particularly Latino immigrant settlement. In support of that hypothesis, the gateway group with the highest level of Latino self-employment is the post-World War II group, which includes Miami, Los Angeles, and Houston. The post-World War II gateways are also the only group where Latinos self-employ at a higher rate than do non-Latinos. But the gap between Latino and non-Latino self-employment is particularly high in the major-continuous, minor-continuous, and re-emerging gateways.

Table 4.23: Gateway Categories by Percent of Workforce Reporting Self-Employment (author's calculations from 2010–2014 5-year ACS data, cross-tabulated by IPUMS)

	Mean Percent Self-Employed			
Gateway Category	**Total**	**Latino**	**Non-Latino**	**Difference**
Former	4.4%	2.7%	4.6%	-1.9%
Major-continuous	5.9%	4.0%	6.3%	-2.3%
Minor-continuous	5.3%	3.8%	6.1%	-2.3%
Post-World War II	5.3%	5.4%	5.3%	0.1%
Major-emerging	5.5%	4.4%	6.0%	-1.6%
Minor-emerging	5.3%	3.4%	5.6%	-2.2%
Re-emerging	5.7%	3.7%	6.0%	-2.3%

Table 4.24 breaks down Latino self-employment in the gateway groups by country or place of origin: Mexico, Puerto Rico, Cuba, or a Latin American place not included in the previous three categories. Workers of Mexican and Puerto Rican background consistently self-employ at lower rates than do their counterparts of Cuban and "other" backgrounds. Workers of all backgrounds, including non-Latinos, self-employ at lower rates in former gateways than in other gateways.

Table 4.24: Self-Employment by County or Place of Origin by Gateway Group (author's calculations from 2010–14 ACS data, cross-tabulated by IPUMS)

Gateway Type	Mean Percent Self-Employed				
	Mexican	PR	Cuban	Other	Not Latino
Former	2.5%	2.1%	3.6%	3.8%	4.6%
Major-continuous	3.9%	2.5%	5.1%	5.5%	6.3%
Minor-continuous	3.7%	2.8%	6.7%	5.5%	6.1%
Post-World War II	2.9%	2.6%	3.9%	4.4%	5.6%
Major-emerging	3.9%	3.2%	5.6%	5.7%	6.0%
Minor-emerging	4.6%	3.9%	6.3%	6.9%	6.6%
Re-emerging	3.3%	3.1%	5.5%	5.1%	6.0%

Table 4.25 shows the workforce of the gateway groups by median percentage Latino and median country or place of origin. It reflects the higher numbers of Puerto Rican settlement in such former gateways as Cleveland, where the Latino workforce is 57% Puerto Rican, and Buffalo, where it is 69% Puerto Rican. Latinos of Mexican origin make up a higher percentage of the Latino population in the minor-continuous and post-World War II gateways. The major-continuous gateways are the most diverse in terms of their Latino populations, with a median of 42% of Latinos having places of origin outside Mexico, Puerto Rico, or Cuba.

Table 4.25: Workforce by Latino Status and Country/Place of Origin by Gateway Group (author's calculations from 2010–14 5-year ACS data, cross-tabulated by IPUMS)

Gateway Category	Median Percent Workforce Latino	Median Percent of Latino Workforce			
		Mexican	Cuban	Puerto Rican	Other
Former	4.4%	37.3%	2.2%	25.5%	17.6%
Major-continuous	21.6%	40.6%	1.8%	18.3%	42.2%
Minor-continuous	39.7%	89.6%	0.4%	1.9%	8.8%
Post-World War II	36.0%	78.1%	0.8%	2.1%	20.0%
Major-emerging	28.4%	67.2%	3.3%	5.9%	23.1%
Minor-emerging	10.1%	61.5%	2.0%	9.0%	24.9%
Re-emerging	11.4%	72.9%	1.3%	5.4%	20.0%

4.5.2 Variables and Hypotheses

Table 4.26 repeats the list of independent variables, along with hypothesizing about their effect on Latino entrepreneurship.

Table 4.26: Hypothesized Effects of Independent Variables on Latino Self-Employment

Variable Code	**Hypothesized Effect**
PCT_SE_NOT_LAT	Positive; suggests that the MSA is generally supportive of self-employment efforts
PCT_LAT_LABOR	Positive; indicates a larger potential co-ethnic market and more opportunities to form co-ethnic networks or enclaves
PCT_UNEM	Negative; used as a proxy for MSA's economic health
PCT_FB	Negative, since the literature suggests that self-employment is more difficult for those born outside United States
PCT_125POV	Negative; used as a proxy for MSA's economic health
HIST_DUM	Positive; gateway typology is based on the idea that MSAs with greater history of immigrant settlement are more hospitable
ANTI_DUM	Positive; idea that immigrant entrepreneurs will be more successful in MSA with more welcoming legislation
PCT_PRO_IND	Negative, since Latinos are less likely to be represented in professional-services entrepreneurship
PCT_CONST_IND	Positive, since Latinos are more likely to self-employ in lower-skills industries
CDFI_MEAN_DUM	Positive, since a greater CDI presence suggests greater resources for potential Latino entrepreneurs seeking capital
CDFI_MED_DUM	Positive, since a greater CDI presence suggests greater resources for potential Latino entrepreneurs seeking capital

For all independent variables except the dummy variables, values were calculated from the 2010–14 5-year ACS. The HIST_DUM variable was created by classifying all gateways with some history of immigrant settlement—that is to say, all gateways save major-emerging and minor-emerging—as 1, and major-emerging and minor-emerging as 0. The ANTI_DUM variable was calculated by applying the scores calculated by Monogan (2013) to legislation at the state level to each MSA; a table giving the score for each MSA can be found in Table A.26 in the Appendix.[28] The percentage of workers in

[28] Washington, D.C. was considered part of Virginia for the purposes of this analysis.

professional services was calculated by adding together the number of workers in "Information" and the number in FIRE (finance, insurance, and real estate) and dividing by total workers. Note that, for poverty, unemployment, professional-services employment, and construction employment, the sample was for the entire MSA, not just Latino workers.

As in the previous section, a dummy variable was created to reflect the presence of a CDFI in the MSA. However, since the comparison now covers all 57 MSAs identified by the gateway typology, there is a wider range of CDFI activity. Table 4.27, below, shows that the number unique CDFIs reporting loans to Latinos between 2010 and 2014 within a given MSA varies from 35 in New York City alone to none at all in thirteen MSAs, or 23% of all the MSAs.

Table 4.27: CDFIs Reporting Loans to Latinos by Gateway MSA, 2010-14 (data from U.S. Department of the Treasury)

Number of CDFIs Reporting Having Loaned to Latinos, 2010–14	**Name of MSA**
35	New York
16	Chicago
14	Minneapolis-St. Paul
13	Los Angeles
9	Washington, D.C.
8	Milwaukee; Boston; Philadelphia
6	Portland (OR); Honolulu
5	Durham-Chapel Hill; Austin
4	El Paso; Miami; Phoenix; San Francisco; Seattle
3	Denver; Nashville; Atlanta; Providence; Rochester (NY); St. Louis; San Jose
2	Dallas; Detroit; Hartford; McAllen; Bridgeport; Sacramento; Salt Lake City; San Antonio; San Diego
1	Fresno; Indianapolis; New Haven; Baltimore; Charlotte; Orlando; Pittsburgh; Raleigh; Tucson; Worcester (MA)

Table 4.27 continued

Number of CDFIs Reporting Having Loaned to Latinos, 2010–14	**Name of MSA**
0	Greensboro (NC); Houston; Lakeland (FL); Las Vegas; Modesto; Bakersfield; Buffalo; Cape Coral; Cleveland; Oxnard; Riverside; Stockton; Tampa-St. Petersburg

To take this range into account, the dummy variable is altered slightly. Instead of simply assigning 1 for the presence of a CDFI and 0 for its absence, the number of CDFIs was divided by the size of the Latino workforce for each MSA, and the mean and median of the resulting quotients were taken. Then a "mean dummy" and a "median dummy" were calculated: the MSA was given a 1 if its ratio of CDFI presence to Latino labor force population was greater than the mean or median, respectively, and a 0 if its ratio was less than the mean or median, respectively. Table A.27 in the Appendix shows the calculation of the two dummy variables. Finally, Tables A.28 through A.32 provide the raw data for all variables calculated.

4.5.3 Results and Discussion

Figures 4.17 and 4.18 show the results for the linear regressions, run once with the median CDFI dummy (CDFI_MED_DUM) and once with the mean CDFI dummy (CDFI_MEAN_DUM). The results in both cases are very similar.

```
> regression <- lm(PCT_SE_LAT ~ PCT_SE_NOT_LAT + PCT_LAT_LABOR + HIST_DUM + ANTI_DUM + PCT_UNEM + PCT_125POV + PCT_PRO_IND +
 CDFI_MED_DUM + PCT_FB, data = se_data)
> summary(regression)

Call:
lm(formula = PCT_SE_LAT ~ PCT_SE_NOT_LAT + PCT_LAT_LABOR + HIST_DUM +
    ANTI_DUM + PCT_UNEM + PCT_125POV + PCT_PRO_IND + CDFI_MED_DUM +
    PCT_FB, data = se_data)

Residuals:
      Min        1Q    Median        3Q       Max
-0.015921 -0.008061 -0.002369  0.005587  0.045790

Coefficients:
               Estimate Std. Error t value Pr(>|t|)
(Intercept)    -0.006783   0.020674  -0.328 0.744300
PCT_SE_NOT_LAT  0.033213   0.024570   1.352 0.182927
PCT_LAT_LABOR  -0.015839   0.020502  -0.773 0.443646
HIST_DUM        0.001498   0.004689   0.319 0.750797
ANTI_DUM       -0.005930   0.004165  -1.424 0.161139
PCT_UNEM       -0.120571   0.151141  -0.798 0.429034
PCT_125POV      0.071738   0.062687   1.144 0.258263
PCT_PRO_IND     0.274992   0.099706   2.758 0.008258 **
CDFI_MED_DUM   -0.003233   0.004185  -0.773 0.443610
PCT_FB          0.118827   0.030505   3.895 0.000309 ***
---
Signif. codes:  0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

Residual standard error: 0.01141 on 47 degrees of freedom
Multiple R-squared:  0.4786,    Adjusted R-squared:  0.3788
F-statistic: 4.794 on 9 and 47 DF,  p-value: 0.0001492
```

Figure 4.17: Regression Results with Median CDFI Dummy (author's calculations)

```
> regression2 <- lm(PCT_SE_LAT ~ PCT_SE_NOT_LAT + PCT_LAT_LABOR + HIST_DUM + ANTI_DUM + PCT_UNEM + PCT_125POV + PCT_PRO_IND
+ CDFI_MEAN_DUM + PCT_FB, data = se_data)
> summary(regression2)

Call:
lm(formula = PCT_SE_LAT ~ PCT_SE_NOT_LAT + PCT_LAT_LABOR + HIST_DUM +
    ANTI_DUM + PCT_UNEM + PCT_125POV + PCT_PRO_IND + CDFI_MEAN_DUM +
    PCT_FB, data = se_data)

Residuals:
      Min        1Q    Median        3Q       Max
-0.017676 -0.007127 -0.000742  0.005985  0.044289

Coefficients:
               Estimate Std. Error t value Pr(>|t|)
(Intercept)    -0.010753   0.019378  -0.555 0.581594
PCT_SE_NOT_LAT  0.029648   0.024236   1.223 0.227324
PCT_LAT_LABOR  -0.015554   0.020883  -0.745 0.460091
HIST_DUM        0.001614   0.004777   0.338 0.737042
ANTI_DUM       -0.006047   0.004189  -1.444 0.155484
PCT_UNEM       -0.123625   0.157140  -0.787 0.435396
PCT_125POV      0.085646   0.063155   1.356 0.181538
PCT_PRO_IND     0.283190   0.098661   2.870 0.006128 **
CDFI_MEAN_DUM  -0.002639   0.004511  -0.585 0.561378
PCT_FB          0.117748   0.030571   3.852 0.000354 ***
---
Signif. codes:  0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

Residual standard error: 0.01144 on 47 degrees of freedom
Multiple R-squared:  0.4758,    Adjusted R-squared:  0.3754
F-statistic:  4.74 on 9 and 47 DF,  p-value: 0.0001661
```

Figure 4.18: Regression Results with Mean CDFI Dummy (author's calculations)

The only independent variables that show a statistically significant impact on the dependent variable is percentage of the MSA workforce in professional services (PCT_PRO_IND) and percentage of the MSA population born outside the United States (PCT_FB). The latter would suggest that the gateway typology is useful in pointing to the size of the MSA’s immigrant population. However, the dummy for history of immigrant

settlement is not significant, reinforcing the tentative conclusion of the previous analysis that history of immigrant settlement does not a large impact on Latino entrepreneurial activity.

A stepwise analysis (in both directions) was then applied to both equations to determine the independent variables that contributed the most to the model. Figures 4.19 and 4.20 show the results of those analyses.

```
> regression_stepped$anova
Stepwise Model Path
Analysis of Deviance Table

Initial Model:
PCT_SE_LAT ~ PCT_SE_NOT_LAT + PCT_LAT_LABOR + HIST_DUM + ANTI_DUM +
    PCT_UNEM + PCT_125POV + PCT_PRO_IND + CDFI_MED_DUM + PCT_FB

Final Model:
PCT_SE_LAT ~ ANTI_DUM + PCT_PRO_IND + PCT_FB


              Step Df     Deviance Resid. Df  Resid. Dev       AIC
1                                         47 0.006114590 -500.9873
2        - HIST_DUM  1 1.327663e-05        48 0.006127867 -502.8637
3  - PCT_LAT_LABOR  1 6.477556e-05        49 0.006192643 -504.2643
4   - CDFI_MED_DUM  1 4.590949e-05        50 0.006238552 -505.8433
5        - PCT_UNEM  1 3.092407e-05        51 0.006269476 -507.5615
6 - PCT_SE_NOT_LAT  1 2.036962e-04        52 0.006473172 -507.7390
7      - PCT_125POV  1 2.110224e-04        53 0.006684195 -507.9105
```

Figure 4.19: Results of Stepwise Regression with Median CDFI Dummy

```
> regression2_stepped$anova
Stepwise Model Path
Analysis of Deviance Table

Initial Model:
PCT_SE_LAT ~ PCT_SE_NOT_LAT + PCT_LAT_LABOR + HIST_DUM + ANTI_DUM +
    PCT_UNEM + PCT_125POV + PCT_PRO_IND + CDFI_MEAN_DUM + PCT_FB

Final Model:
PCT_SE_LAT ~ ANTI_DUM + PCT_PRO_IND + PCT_FB


              Step Df     Deviance Resid. Df  Resid. Dev       AIC
1                                         47 0.006147498 -500.6814
2        - HIST_DUM  1 1.492231e-05        48 0.006162421 -502.5432
3  - CDFI_MEAN_DUM  1 3.564559e-05        49 0.006198066 -504.2144
4  - PCT_LAT_LABOR  1 4.048594e-05        50 0.006238552 -505.8433
5        - PCT_UNEM  1 3.092407e-05        51 0.006269476 -507.5615
6 - PCT_SE_NOT_LAT  1 2.036962e-04        52 0.006473172 -507.7390
7      - PCT_125POV  1 2.110224e-04        53 0.006684195 -507.9105
```

Figure 4.20: Results of Stepwise Regression with Mean CDFI Dummy

Finally, Figure 4.21 shows the results of the regression when only the three independent variables suggested in the stepwise analysis (ANTI_DUM, PCT_PRO_IND, and PCT_FB) are used.

```
> summary(lm(PCT_SE_LAT ~ ANTI_DUM + PCT_PRO_IND + PCT_FB, data = se_data))

Call:
lm(formula = PCT_SE_LAT ~ ANTI_DUM + PCT_PRO_IND + PCT_FB, data = se_data)

Residuals:
      Min        1Q    Median        3Q       Max
-0.019233 -0.007834 -0.001466  0.005456  0.043411

Coefficients:
             Estimate Std. Error t value Pr(>|t|)
(Intercept)  0.003306   0.008107   0.408  0.68508
ANTI_DUM    -0.005303   0.003498  -1.516  0.13541
PCT_PRO_IND  0.228466   0.074610   3.062  0.00345 **
PCT_FB       0.110321   0.019443   5.674 5.94e-07 ***
---
Signif. codes:  0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

Residual standard error: 0.01123 on 53 degrees of freedom
Multiple R-squared:   0.43,     Adjusted R-squared:  0.3978
F-statistic: 13.33 on 3 and 53 DF,  p-value: 1.34e-06
```

Figure 4.21: Results of Regression Using Only ANTI_DUM, PCT_PRO_IND, and PCT_FB as Independent Variables

In this equation, R^2 equals 0.3978, suggesting that the three variables together account for about 40% of variation in Latino entrepreneurship between metropolitan areas. Of the three independent variables, the association between Latino self-employment rates and the dummy representing attitudes towards immigration in state legislation is the most tentative, since the independent variable itself is not significant. The variable of percentage of the MSA labor force in professional services is significant to $p < 0.01$, and the variable of percentage of the MSA population that is foreign-born (not limited to Latinos) is significant to $p < 0.001$. In both cases of statistical significance, the effects of the independent variable are positive, which proves the earlier hypothesis about the relationship between Latino self-employment rates and foreign-born population

presence in the MSA, but disproves the hypothesis that a greater share of the labor force in professional services would mean smaller levels of Latino self-employment.

This analysis suggests several possible conclusions about Latino entrepreneurship in the gateway metropolitan areas. The first is that, even though not all Latino entrepreneurs are immigrants, there is an overlap between Latino entrepreneurial activity and immigrant or foreign-born entrepreneurial activity as a whole. Latinos, regardless of place of birth, may be more likely to self-employ in metropolitan areas where foreign-born residents make for a larger share of the population for several possible reasons. One is that the legal, political, and social structure of the metropolitan area may be more flexible and comprehensible for residents for whom English is a second language, regardless of their entrepreneurial aspirations, and that in such a structure Latinos find it easier to start businesses. Another is that a greater share of foreign-born population may mean increased competition for wage work among residents who have difficulty accessing higher-skilled jobs, due to lack of formal qualifications or sufficient comfort with English use. In that case, Latino self-employment would be less a reflection of greater entrepreneurial activity in the metropolitan area and more a case of more Latinos getting pushed into self-employment.

The positive correlation between share of the population in professional services and Latino self-employment is also open to interpretation. Since entrepreneurs, Latino or not, benefit from access to business services such as insurance and real estate, a higher share of the population in professional services may make for greater entrepreneurial opportunities in the metropolitan area more generally. Given the repeated examples found in the literature of Latino entrepreneurs reporting a lack of access to financing and

business information, however, it would be a mistake to assume that the Latino entrepreneurs are connected to larger professional-services networks.

The analysis presented here also continues to call into question the frameworks used so far to examine Latino entrepreneurship: the gateway typology and the idea of increased entrepreneurship through co-ethnic clustering, often in the form of an ethnic enclave. Although percentage of the MSA population born outside the United States had a statistically significant correlation with Latino self-employment rates in the MSA, percentage of Latinos in the local labor force (including self-employed Latinos) did not. If Latino entrepreneurship in these MSAs was dependent on ethnic enclaves, we would expect to see a significant, positive correlation between Latino presence in self-employment and Latino presence in the labor force more generally. (Recall both that many entrepreneurs were wage workers in the years before formally launching their businesses, making wage workers potential contributors to the growth of entrepreneurship in a community, and that part of the definition of an ethnic enclave is co-ethnic employment.) The dummy variable of whether the MSA had a history of immigrant settlement or not was also not statistically significant. Further investigation is therefore necessary to understand potential drivers of Latino entrepreneurship at the metropolitan area.

4.6 A Qualitative Comparison of Latino-Owned Business Activity: Looking More Closely at Denver and Durham

This section will consist of a more intensely focused look at Latino-owned business activity in one re-emerging MSA, Denver-Lakewood-Aurora, Colorado (hereafter Denver), and one minor-emerging MSA, Durham-Chapel Hill (hereafter Durham),North Carolina. This comparison could be done with any two MSAs from the two different groups, but Denver and Durham make for a particularly illuminating contrast. Durham offers a particularly striking example of how fast the immigrant population has grown in the minor-emerging MSAs: in 1990 the population was just 4% foreign-born and 1% Latino (Latino Migration Project, 2013). By that point Denver, with a much longer history of Latino settlement, had already elected its first Latino mayor, Federico Peña. Meanwhile, the Latino settlement trends in the two MSAs reflect their respective gateway categories: Durham's Latino population is, as a whole, less comfortable with English, less likely to have received a high school diploma or greater, and less likely to have received United States citizenship than Denver's. Given this, and given Denver's longer history of immigrant settlement in general and Latino settlement in particular, gateway classification would predict that a Latino business would fare better in Denver than in Durham. But, as shown in Table 4.28, that was not the case for the time period under study.

Table 4.28: Selected Statistics for Denver and Durham Metropolitan Areas (author's calculations from 2007 1-year ACS and 2007 and 2012 SBO)

Characteristic of Latino population	**Denver**	**Durham**
Percentage with U.S. citizenship, 2007	73.2%	41.9%
Percentage living above the poverty level, 2007	76.0%	77.2%
Percentage who speak English "well" or better, 2007	77.9%	54.4%
Percent with a high-school diploma or greater level of formal education, 2007	63.8%	47.5%
Percent change in total number of Latino-owned firms, 2007–12	61.8%	44.1%
Percent change in total sales by Latino-owned firms, 2007–12	-19.2%	37.3%
Percent change in percentage of Latino-owned firms with paid employees, 2007–12	-21.0%	30.8%
Percent change in total payroll of Latino-owned firms, 2007–12	9.5%	73.9%

Some of this difference may simply be that Denver as a whole was hit harder by the Great Recession than was Durham, and took longer to recover. But Durham's Latinos would still seem to be at a relative disadvantage even in a growing economy. The comparison between these two MSAs suggest that there is more to Latino entrepreneurship than is covered by the gateway classification.

In order to understand the forces driving, and perhaps inhibiting, Latino business formation and success in Denver and Durham, this section will examine both metropolitan areas more closely using street-level data. It will concentrate on neighborhoods with larger concentrations of Latino residents, in order to see if any sort of

enclave activity can be detected. It will also consider the role of financial institutions and community-development organizations in the two metropolitan areas.

4.6.1 Denver: Overview of Latino-Owned Business Activity

In 2012 22.4% of the Denver MSA's population of 2.55 million identified as Latino. Figure 4.22 shows a map of the Denver MSA (and the Denver city/Denver County area, inset) by raw count of Latino population in 2012.

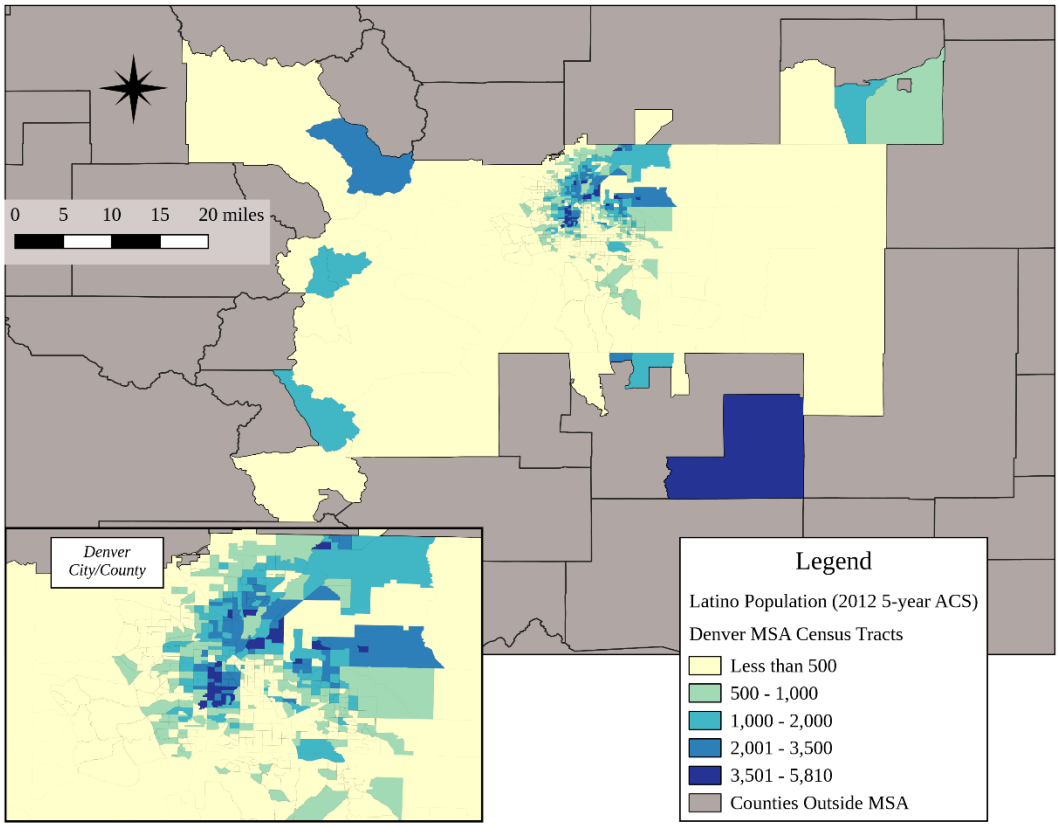


Figure 4.22: Denver MSA Latino Population, 2012 5-year ACS (author's calculations from ACS data and Census TIGERLine shapefiles)

The Denver MSA is home to an above-average presence of Latino-owned firms in professional, scientific, and technical services—11.4% of all Latino-owned businesses in

2002. This percentage had fallen to 9.91% by 2012, likely because few of the new firms opening up between 2002 and 2012 were in professional services. Table 4.29, below, contains summary statistics for business activity in the Denver MSA between 2002 and 2012.

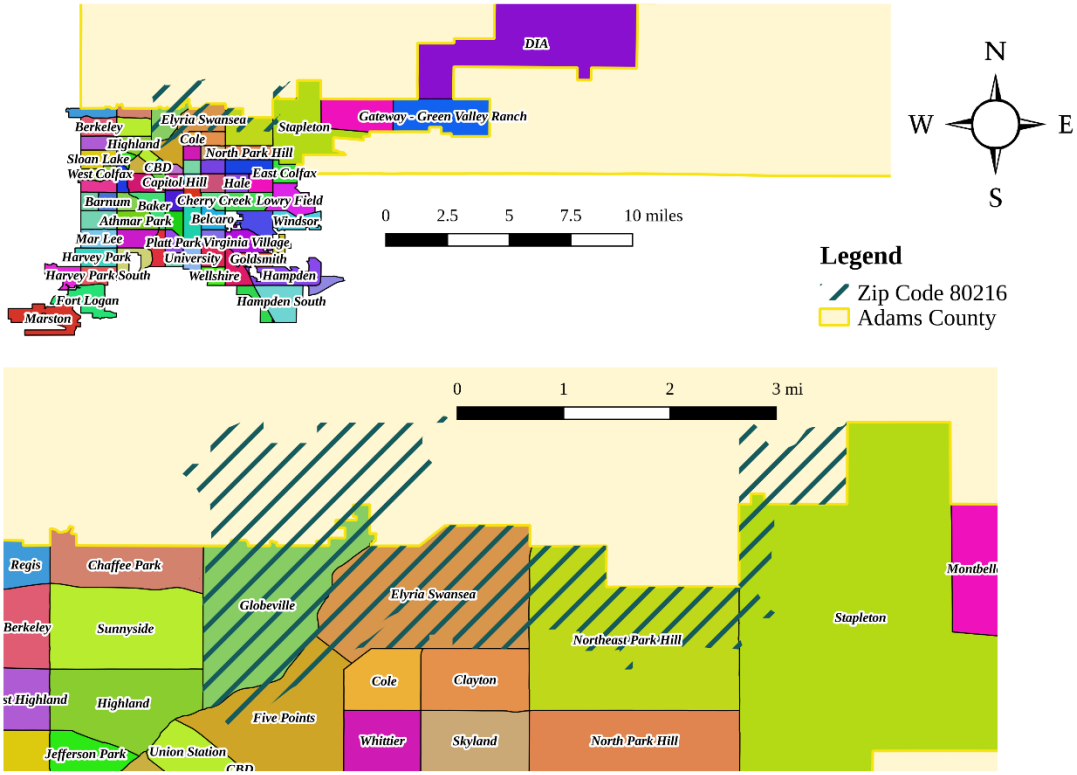
Table 4.29: Summary Statistics for Denver MSA, 2002, 2007, 2012 (author's calculations from 2002, 2007, and 2012 SBO)

Denver MSA	2002	2007	2012	Change 2002-12	Change 2007-12
Total population		2,466,591	2,645,209		7.24%
Latino population		544,308	602,660		10.72%
Percent Latino		22.07%	22.78%		3.24%
Total number of firms	226,736	268,242	277,002	22.17%	3.27%
Number of Latino-owned firms	13,041	18,804	30,707	135.47%	63.30%
Percent of all firms Latino-owned	5.75%	7.01%	11.09%	92.74%	58.14%
Number of Latino-owned employer firms	2,106	2,244	2,441	15.91%	8.78%
Percent of Latino-owned firms with employees	16.15%	11.93%	7.95%	-50.78%	-33.39%
Total employees	1,120,426	1,123,970	1,110,086	-0.92%	-1.24%
Total employed by Latino-owned firms	19,352	21,284	22,604	16.80%	6.20%
Percent employed by Latino-owned firms	1.73%	1.89%	2.04%	17.89%	7.53%
Percent of Latino-owned firms in construction	17.86%	21.08%	21.31%	19.35%	1.13%
Percent of Latino-owned firms in professional services	11.43%	11.02%	9.91%	-13.24%	-10.04%

4.6.2 Denver: Focus on the Globeville-Elyria-Swansea Neighborhoods

The two combined neighborhoods of Globeville and Elyria-Swansea (hereafter GES) lie in the northeast section of the Denver MSA, in what is historically referred to as north Denver. The northern border of the two neighborhoods is the county line separating

Denver and Adams counties. Figure 4.23, below, shows GES in the context of Denver city, Adams County, and zip code 80216, which covers both neighborhoods.



Neighborhoods of Denver, Featuring Globeville and Elyria-Swansea

Figure 4.23: Map of Neighborhoods of the City of Denver, featuring Globeville and Elyria-Swansea (author's creation from GIS data from City of Denver and Adams County)

The three neighborhoods have a history of immigrant settlement almost as old as the city itself: Globeville was founded in the 1880s, mostly by immigrants from eastern and south-eastern Europe (Denver Department of Planning and Community Development, 2008). More recently, all three neighborhoods have drawn a large Latino population: by 2012 three-quarters of Globeville residents and more than 80% of Elyria-Swansea residents identified as Latino.

The three neighborhoods also have a history of being more sinned against than sinning, with regards to planning and development choices in the city and MSA of Denver. All three were bisected by the construction of Interstate 70, running east-west; in addition, Globeville was split in half by the north-south Interstate 25. An additional set of railroad tracks on Globeville's western border further contributed to the relative isolation of the three neighborhoods. In addition, Globeville's and Elyria-Swansea's histories of hosting heavy industry, and the intermingling of industrial and residential zoning close together, has led to concerns of insufficient cleanup (Denver Department of Planning and Community Development, 2008). This in turn has depressed property values and encouraged neglectful landlords, a frequent cause of complaint by residents (Denver Department of Planning and Community Development, 2008). "People in different areas of the city might not even know that we're in Denver, right?" a resident mused to an NPR reporter in 2014. "And if people know that we are part of Denver, you know, it's really easy to make fun of us." (Heffel, 2014)

Not surprisingly, the mean GES resident has a lower income than the state average. As shown in Table 4.30, below, they are also more likely to speak Spanish at home, to lack employment, and to live below the poverty level, and less likely to have completed education beyond high school.

Table 4.30: Selected Statistics for Census Tracts 15 and 35 and the State of Colorado, 2012 (author's calculations from 2012 5-year ACS data)

Demographic Information	**Census Tract 15 (Globeville)**	**Census Tract 35 (Elyria-Swansea)**	**Colorado**
Percent of residents living below poverty level	36.6%	41.2%	12.9%
Unemployment rate (population aged 16 years and over)	15.0%	17.6%	5.5%
Percent of residents who speak Spanish at home	47.3%	72.7%	11.9%

Table 4.30 continued

Demographic Information	Census Tract 15 (Globeville)	Census Tract 35 (Elyria-Swansea)	Colorado
Percent of residents identifying as Hispanic or Latino	75.4%	81.8%	20.6%
Percent of residents (aged 25 and over) holding a bachelor's degree or greater	7.2%	10.5%	36.6%
Median household income (in 2012 dollars)	$23,750	$32,390	$58,244

More recently redevelopment has prompts fears of gentrification and displacement of the current residential base. A report published in 2017 by the non-profit Globeville Elyria-Swansea Coalition Organizing for Health and Housing Justice (GES Coalition) explained:

> The high concentration of marijuana grows and dispensaries in our neighborhood, the redevelopment of I-70, National Western Center, Brighton Boulevard, and four new RTD rail lines are having the most detrimental effects on families that have long-resided in these historically marginalized communities… In Globeville and Elyria-Swansea, the majority of our families are "rent or mortgage stressed," and have become extremely vulnerable to involuntary displacement. (Globeville Elyria-Swansea Coalition Organizing for Health and Housing Justice, 2017)

The initial impression of GES is thus not of an area where residents have a lot of opportunities, or general encouragement, to go into business for themselves. Yet the GES Coalition's report includes sidebars on three longtime residents, two of whom are Latina and one Latino—and all three of whom are described as "micro-entrepreneurs." In 2016 the local non-profit Focus Points opened Comal Heritage Food Incubator, a lunch restaurant with a rotating menu designed to give GES residents, many of whom also identify as micro-entrepreneurs, workforce and entrepreneurial training (Focus Points; Shunk, 2016). This suggests a potential source of new entrepreneurs, properly supported—but how many actual Latino business owners are there serving GES?

4.6.3 Denver: Latino-Owned Businesses in Zip Code 80216, 2012

The Reference USA database lists 2,121 businesses operating in zip code 80216 in 2012. Of those, 1,392—slightly more than half—include the last name of an executive identified with the business. Not all of those executives are owners: titles in the database include "General Manager," "Administrator," "Office Manager," and "Senior VP." When the search is limited to those executives whose title implies control over the business ("Owner," "President," "CEO," or "Principal"), the number of businesses available to identify drops to 913. Applying a surname analysis based on the Spanish-origin surnames table prepared in conjunction with the 2000 Census (United States Bureau of the Census, 2014)[29] matches 85 businesses that can be confidently said to be Latino-owned. Table 4.31 presents summary statistics on these 85 businesses.

Table 4.31: Selected Characteristics of 85 Businesses Presumed Latino-Owned in Zip Code 80216 (author's calculations from Reference USA historical business data)

Description	**Number**	**Percentage of Total**
Business is home-based	4	4.7%
Executive identified as female	11	12.9%
Business had fewer than 10 employees	66	77.6%
Business had more than 50 employees	4	4.7%
Annual sales of less than $500,000	40	47.1%
In Denver City/County	60	70.6%
In Adams County	25	29.4%
Business is a single location	84	98.8%
Business is a branch of a larger firm	1	1.2%

[29] Only last names for which 70% or greater of the bearers identified as Latino, according to the database, were used in the surname analysis.

Figure 4.24 shows the breakdown of all businesses in zip code 80216 by industry versus the 85 businesses identifiable as Latino-owned. The Latino-owned sample is overrepresented in accommodation and food services and other services; in many categories—arts, entertainment, and recreation; health care and social assistance; FIRE—there are no businesses in the sample.

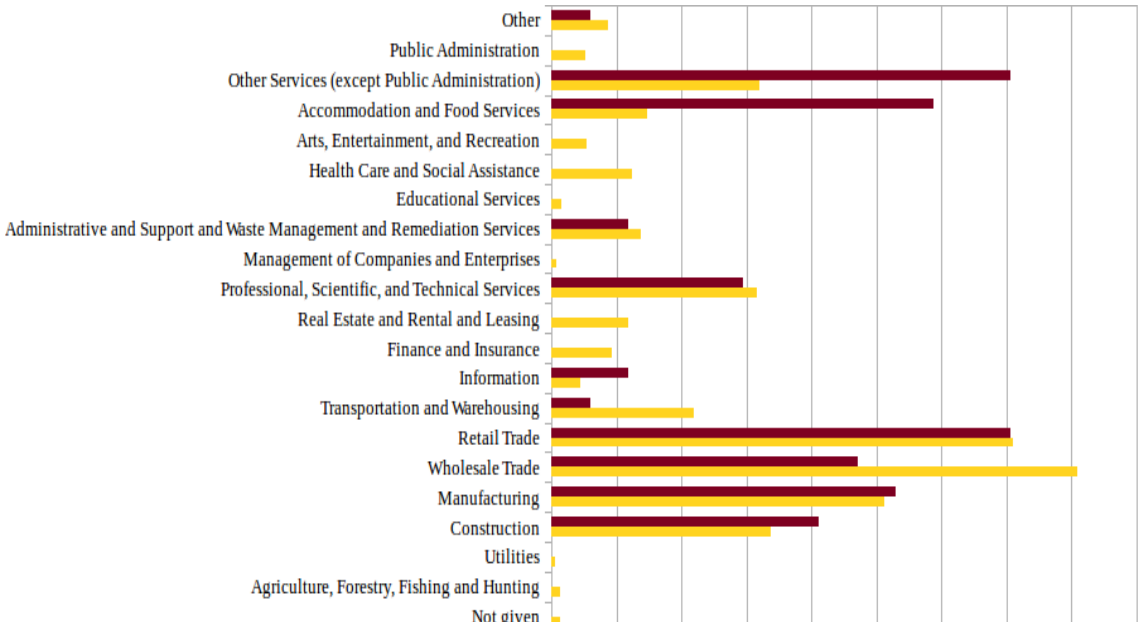


Figure 4.24: Businesses in Zip Code 80216 by Industry, 2012 (brown = Latino-owned, yellow = all businesses) (author's calculations from Reference USA historical business data)

Figure 4.25 shows the locations of all the businesses found in zip code 80216, with the businesses identified as Latino-owned in red. It also includes identifiable banks and financial institutions within the zip code and selected prominent non-profit organizations, which are listed in Table 4.32.

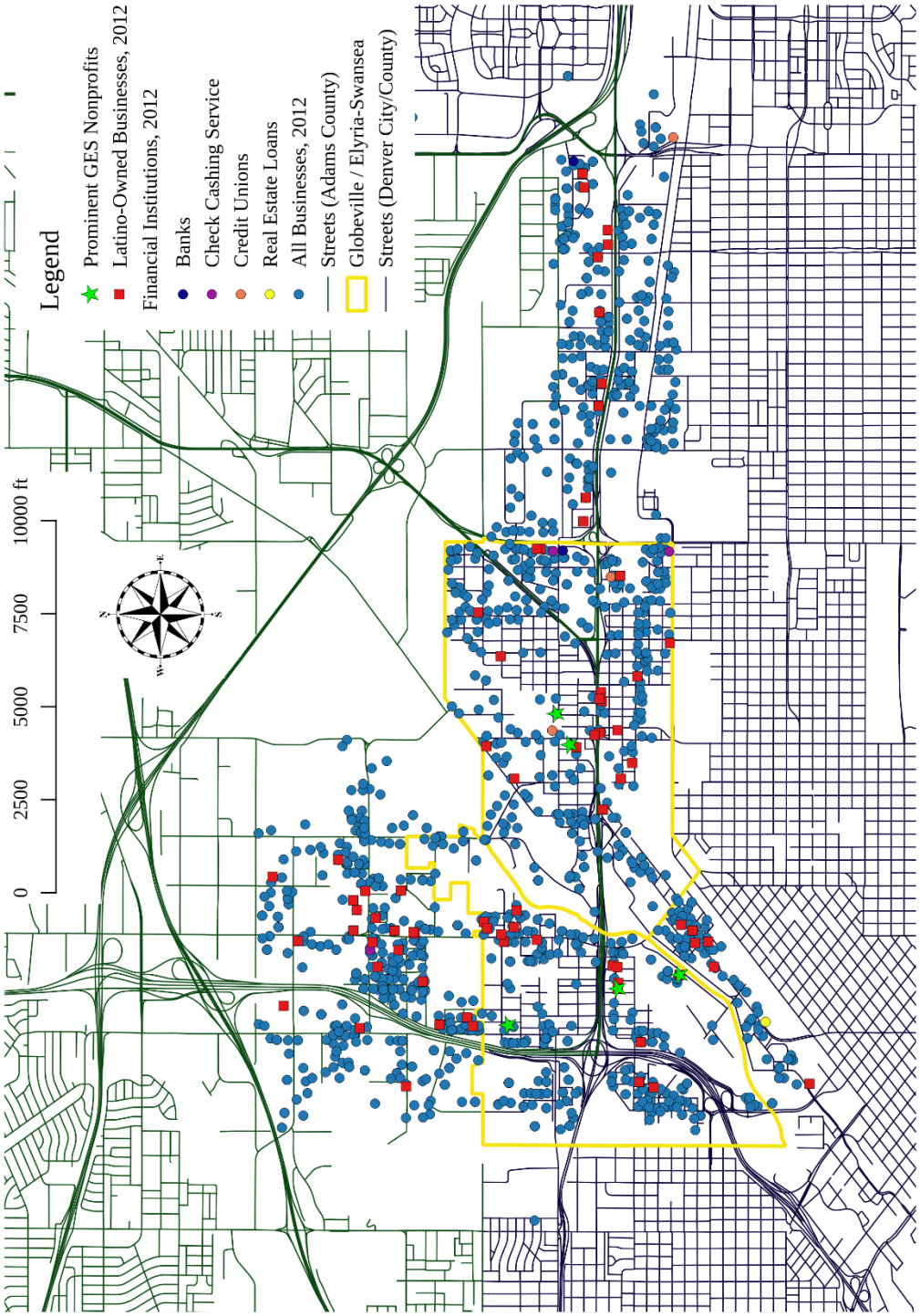


Figure 4.25: Businesses in Zip Code 80216, 2012 (author's creation from Reference USA historical business data and GIS data from City of Denver and Adams County)

Table 4.32: Selected Prominent Non-profits in GES

Globeville:
Globeville Recreation Center, 4496 Grant St.
Clínica Tepayac, 5075 Lincoln St.
Elyria-Swansea:
The GrowHaus, 4751 York St.
Focus Points, 2501 E. 48th Ave.
Project VOYCE, 3455 Ringsby Ct.

It should be noted that the disadvantage of surname analysis is that it fails to take into account those businesses that do not have a contact name included in the Reference USA database. Table 4.33, below, lists businesses in the database for zip code 80216 in 2012 that might, based on the name of the business, be Latino-owned, but lack any information about ownership.

Table 4.33: Selected Businesses Lacking a Contact Name in the Reference USA Historical Database[30] for Zip Code 80216, 2012

Armondo Used Auto Parts LLC
Ciancio Liquor Store
El Paso Trading Post
El Patron Mexican Grill
El Rinconcito Mini Market
Gomez on Park Avenue
Iglesia De Cristo Mi-El
Iglesia Del Dios Vivo
La Favorita Wholesale Mfg
Martinez Tire Repair Shop

[30] Names are printed as recorded. Reference USA does not appear to record accents or diacritical marks.

Table 4.33 continued

Ruiz Transmission
Tacos El Gordo
Transportes Y Enlaces

Of the financial institutions in the Reference USA database as being in zip code 80216 in 2012, three were check-cashing services, two were commercial real-estate loan specialists, three were credit unions, and two were traditional banks. (Of the three credit unions, by 2018 one had apparently closed and another had been acquired.) Of the two traditional banks, one is Colorado Business Bank, which advertises itself as specializing in small-business lending: as of April 2018 the bank's website was touting it as being named "Colorado's SBO 7(a) Small Lender of the Year" multiple times (Colorado Business Bank). But Colorado Business Bank's website is not available in Spanish and does not otherwise suggest a business specialization in the Latino business-loan market. The same is true of American National Bank, the second bank, which as of 2018 had two Denver locations, neither of which was at the 80216 address listed for the branch in 2012.

Considering its population of more than 10,000 (in 2010), the area covered by zip code 80216 is underserved commercially. In 2012 it had five small grocery stores with names suggesting a Spanish-language market, of only twenty-one such stores total—no supermarkets. The evidence does not suggest a Latino enclave; but it also does not suggest that the Latino population's needs are being fully met, in the absence of such an enclave, by non-Latino-owned businesses.

The reason for this underdevelopment lies in GES's particular history of industrial concentration. The problem lay not only in costs of having industry nearby[31] but in neighborhood zoning, which often put industry next to residential neighborhoods with very little space for commercial activity in between. The history of zoning in GES has been not just heavily slanted towards industry, but chaotic, with multiple revisions and delays; uncertainty over zoning even provided a reason for banks to refuse to make home loans in GES (Gardner & Slaby, 2014). Figure 4.26 again shows a map of businesses in zip code 80216, but this time with a layer showing the zoning codes of Denver and Adams Counties. It should be noted that in 2012 44.1% of Globeville residents reported having a commute to work of 30 minutes or greater, a higher share than for all Colorado (33.6%) or nationwide (35.6%), although the share of such commuters in Elyria-Swansea (34.1%) was closer to the state and national percentages. This also suggests that GES, and Globeville in particular, is commercially underdeveloped.

[31] One of the multiple environmental lawsuits for which the smelting company Asarco has paid out damages was set in Globeville. In 1993 the company agreed to help finance a $22 million remediation project in the Globeville neighborhood; cleanup operations began in 1994 and continued through early 2015 (Gardner & Slaby, 2014; Murray, 2014).

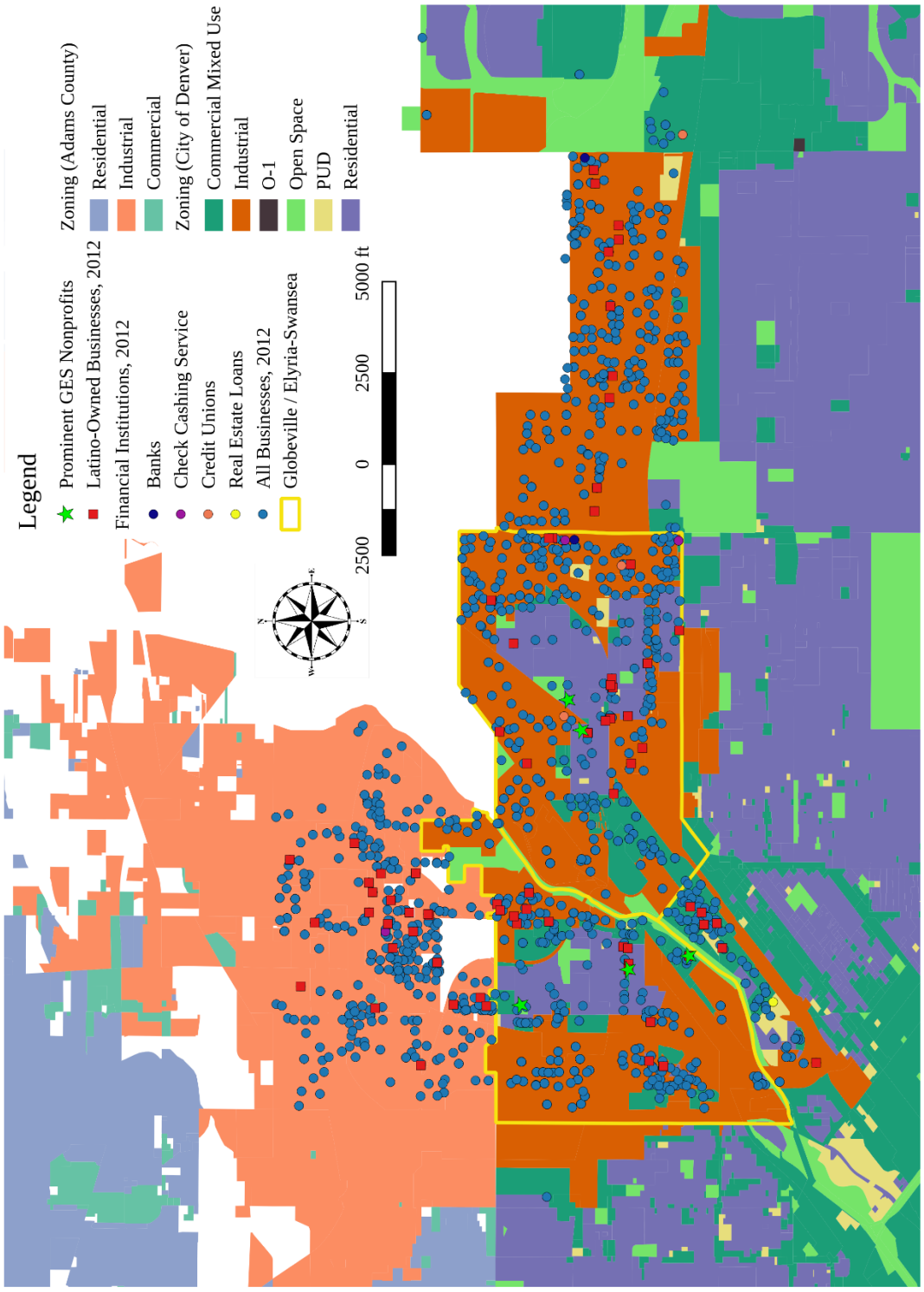


Figure 4.26: Businesses and Zoning Laws Covering GES and Zip Code 80216 (author's creation from Reference USA historical business data and GIS data from City of Denver and Adams County)

Thus, while the two neighborhoods making up GES offer a spatial concentration of Latinos in a metropolitan area (and state) whose population is a fifth Latino, in addition to more than a century's worth of history of immigrant settlement, there is not a lot of evidence to suggest the formation of an ethnic enclave. While the population is disadvantaged relative to the Denver MSA, poverty alone does not guarantee the failure of an ethnic enclave to coalesce. Rather, GES seems to have two relatively uncommon disadvantages. One is its relative geographic isolation from the rest of Denver, created and exaggerated by the placement of I-25 and I-70. The other is the patchwork of zoning ordinances, heavily slanted towards industrial use, that limit the availability of commercial space. The combination of the two unfortunate circumstances may have negated whatever advantages GES offered to aspiring entrepreneurs as a neighborhood with a history of immigrant settlement.

4.6.4 Durham: Overview of Latino-Owned Business Activity

The rapid rise in Latino populations in many North Carolina cities—Charlotte, Raleigh, Durham—has been much noticed and well-documented. The city of Durham went from 1% Latino in 1990 to over 10% by 2010, and has been forecast to be almost 20% by 2020 (Latino Migration Project, 2013). As can be seen in Table 4.34, below, Latino population in the Durham MSA grew by almost a quarter between 2007 and 2012, even as the overall population declined.

Table 4.34: Summary Statistics for Durham MSA, 2002, 2007, 2012 (author's calculations from 2002, 2007, and 2012 SBO)

Durham MSA	2002	2007	2012	Change 2002-12	Change 2007-12
Total population		479,624	463,789		-3.30%
Latino population		46,740	59,037		26.31%
Percent Latino		9.75%	12.73%		30.62%
Total number of firms	35,549	43,133	47,553	33.77%	10.25%
Number of Latino-owned firms	620	1,271	1,968	217.42%	54.84%
Percent of all firms Latino-owned	1.74%	2.95%	4.14%	137.29%	40.45%
Number of Latino-owned employer firms	172	146	270	56.98%	84.93%
Percent of Latino-owned firms with employees	27.74%	11.49%	13.72%	-50.55%	19.43%
Total employees	212,848	216,253	221,309	3.98%	2.34%
Total employed by Latino-owned firms	674	671	1,829	171.36%	172.58%
Percent employed by Latino-owned firms	0.32%	0.31%	0.83%	160.99%	166.35%
Percent of Latino-owned firms in construction	N/A	N/A	21.49%	N/A	N/A
Percent of Latino-owned firms in professional services	19.35%	19.51%	12.09%	-37.52%	-38.02%

Figure 4.27, following, shows the Latino population in the context of the Durham MSA. The areas of greatest Latino population concentration are primarily on the east side of the city of Durham. While there are pockets of Latino concentration in Orange County, they lie outside the city boundaries of Chapel Hill.

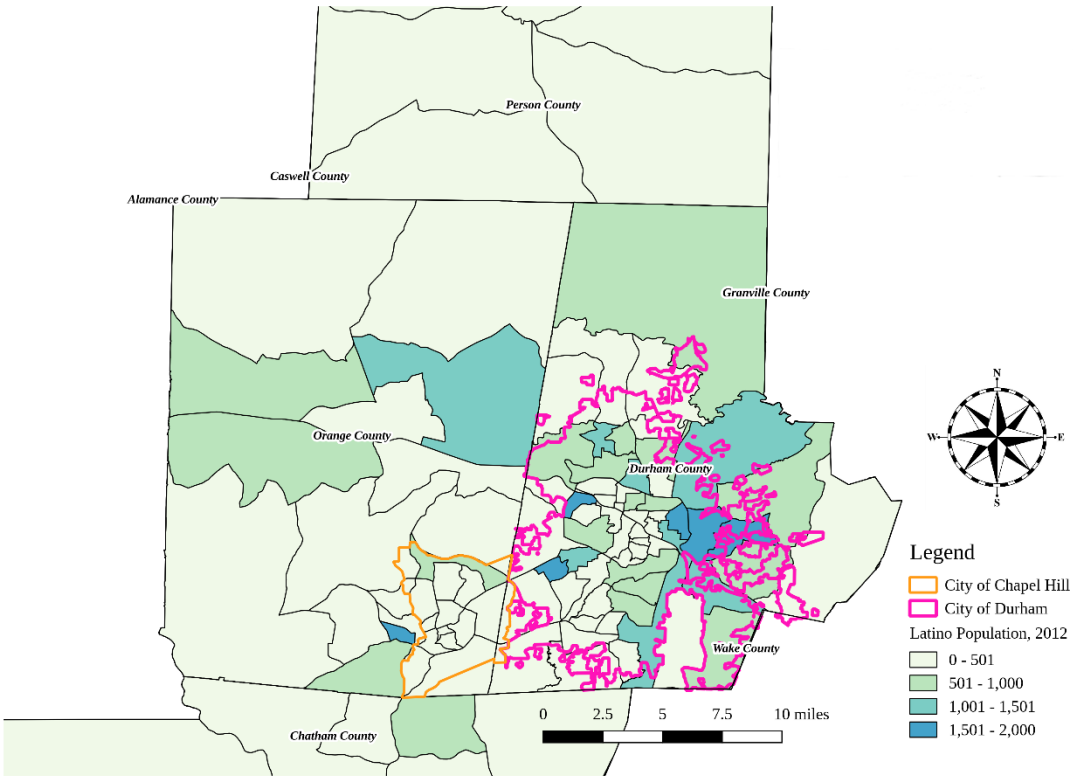


Figure 4.27: Latino Population in the Durham MSA, 2012 (author's creation from 2012 5-year ACS data; GIS data from US Census Bureau, City of Durham, and City of Chapel Hill)

The Durham MSA is something of an anomaly for the presence of not one but two nationally prominent research universities and a number of research-oriented firms. That may account for the more prominent presence of non-profits and community organizations focusing on the local Latino community. The Institute for the Study of the Americas at the University of North Carolina-Chapel Hill hosts the Latino Migration Project, which studies the impacts of Latino migration to North Carolina; its projects include a series of Latino oral histories and a planning program designed to help North Carolina cities plan for the needs of new immigrant residents (Latino Migration Project). The Latino Migration Project also keeps a list of more than a dozen service projects, based at the university, aimed at helping local Latinos: they range from general advocacy

to English-language tutoring to free swim classes (Latino Migration Project, 2016). Local non-profits in Durham and Chapel Hill include El Centro Hispano, founded in 1992; El Futuro, which focuses on providing mental-health support to Latinos; the Tomorrow Fund for Hispanic Students, a scholarship program running from 2009 to 2020; and La Isla, a series of educational programs targeted at Latino elementary schoolers and their families.

That reach of community organizations extends to banking. The most prominent example of such an organization is the Latino Community Credit Union, which was founded in Durham in 2000 and now has eleven branches. It claims that, of its 72,000 members, 65% were previously unbanked (Latino Community Credit Union). Self-Help Credit Union also opened its first offices in Durham, in 1982, and the majority of its branches are in North Carolina; although it is not explicitly Latino-focused, it includes in its literature an emphasis on underserved communities (Self-Help Credit Union). Both credit unions have participated in the federal CDFI program.

All this is not to imply that Latino life in Durham is easy. Less than half of Durham's Latino residents in 2012 held United States citizenship; less than a third lived in a house they owned. Moreover, in recent years the North Carolina state government has passed several laws targeting the state's immigrant population, including outlawing sanctuary-city measures (including one passed by Charlotte in 2015) and stamping driver's licenses with "No lawful status" (Misra, 2015). The number of Latino-focused volunteer efforts in Durham may be as much a reaction to harsh state policies as to the burgeoning Latino population itself.

There does not appear to be a group in the Durham MSA that focuses specifically on Latino entrepreneurs or Latino-owned businesses, although the North Carolina Hispanic Chamber of Commerce is headquartered in nearby Raleigh and the North Carolina Society of Hispanic Professionals in Cary, also nearby. Although Self-Help Credit Union offers a variety of business loans—including SBA 504 loans, which can be used to purchase machinery; child-care business loans; and New Market Tax Credit loans—it does not appear to offer resources in Spanish or otherwise target Latino business-loan customers, and Latino Community Credit Union does not offer business loans at all.

4.6.5 Durham: Latino-Owned Businesses in Zip Codes 27703 and 27704, 2012

Unlike Denver, Durham has few well-defined neighborhoods, and zip codes cover several residential areas. Although the Latino Community Credit Union is located in zip code 27701, in downtown Durham, zip codes 27703 and 27704 have a higher number of Latinos in residence. In 2012 there were 3,263 businesses in the two zip codes combined in the Reference USA historical database. Of those, 2,196 had a contact person with a surname recorded; and of those records, 867 had that contact person listed as "Owner," "CEO," "President," or "Principal." But comparing those names to the Spanish-surname list created by the Census Bureau yielded only 29 businesses that could be said to be owned by Latinos. Table 4.35 gives selected characteristics of these businesses.

Table 4.35: Selected Characteristics of 29 Businesses Presumed Latino-Owned in Zip Codes 27703 and 27704, 2012 (author's calculations from Reference USA historical business data)

Description	Number	Percentage of Total
Business is home-based	6	20.7%
Executive identified as female	5	17.2%
Business had fewer than 10 employees	25	72.4%
Business had more than 50 employees	0	0%
Annual sales of less than $500,000	18	62.1%
Business is a single location	27	93.1%
Business is a branch of a larger firm	2	6.9%

Table 4.36 shows the industry mix of both the 29 businesses identified and all businesses in the two zip codes. With such a small sample, it is difficult to make any generalizations about the Latino-owned businesses. It can be said, however, that the mix does not suggest that the Latino business owners included are not unrepresentative of the Latino populations of northeast Durham. (If, by contrast, many of the 29 businesses had been in management or arts and entertainment, that would suggest a mismatch between the local Latino residents and the business owners.)

Table 4.36: Industry Classification of All Businesses and Identified Latino-Owned Businesses in Zip Codes 22703 and 27704, 2012 (author's calculations from Reference USA historical business data)

NAICS Industry Description	NAICS Two-Digit Code	All Businesses in Sample	Latino-Owned
Not Given	0	9	0
Agriculture, Forestry, Fishing and Hunting	11	4	0
Mining, Quarrying, and Oil and Gas Extraction	21	2	0
Utilities	22	2	0
Construction	23	227	4
Manufacturing	31-33	202	7
Wholesale Trade	42	104	2
Retail Trade	44-45	354	4
Transportation and Warehousing	48-49	72	2

Table 4.36 continued

NAICS Industry Description	NAICS Two-Digit Code	All Businesses in Sample	Latino-Owned
Information	51	43	0
Finance and Insurance	52	140	0
Real Estate and Rental and Leasing	53	154	1
Professional, Scientific, and Technical Services	54	230	1
Management of Companies and Enterprises	55	1	0
Administrative and Support and Waste Management and Remediation Services	56	107	2
Educational Services	61	65	0
Health Care and Social Assistance	62	951	0
Arts, Entertainment, and Recreation	71	47	0
Accommodation and Food Services	72	153	3
Other Services (except Public Administration)	81	398	7
Public Administration	92	46	0
Other	99	45	1

As with the analysis of businesses in zip code 80216, some of the businesses in zip codes 27703 and 27704 that lacked any information about the owner nevertheless were named in a way that suggested a focus on the local Latino market. Table 4.37, following, lists those businesses.

Table 4.37: Selected Businesses with No Contact Name in Reference USA Historical Business Data for Zip Codes 27703 and 27704, 2012

El Atoron
El Cuscatleco Restaurant II
El Pequeno Atoron
Flores Inc
Hernandez Auto Repair
Joyeria El Tesoro
La Estrella
La Hispano America Store
La Monarca Michocana Ice Cream[32]
Las Palmas Mexican Restuarant
Libreria Cristiana Alfa y Omega
Mas Mexico
Novedades Guadalupe
Panaderia Pahuatlan
Peluqueria
Servicios Latinos Multiples
Tienda La Nortena

Figure 4.28, f, shows the 29 businesses on a map of the Durham MSA, as well as El Futuro, El Centro Hispano, and Latino Community Credit Union (in green stars), and banks in the two zip codes.

[32] According to a 2016 article in *Indyweek*, a local independent weekly, La Monarca Michoacana is a franchise of a Mexican *paletería* (ice-cream shop) chain. The owners are all from Michoacán, a region of Mexico with a reputation for producing excellent ices and ice creams (Perez, 2016).

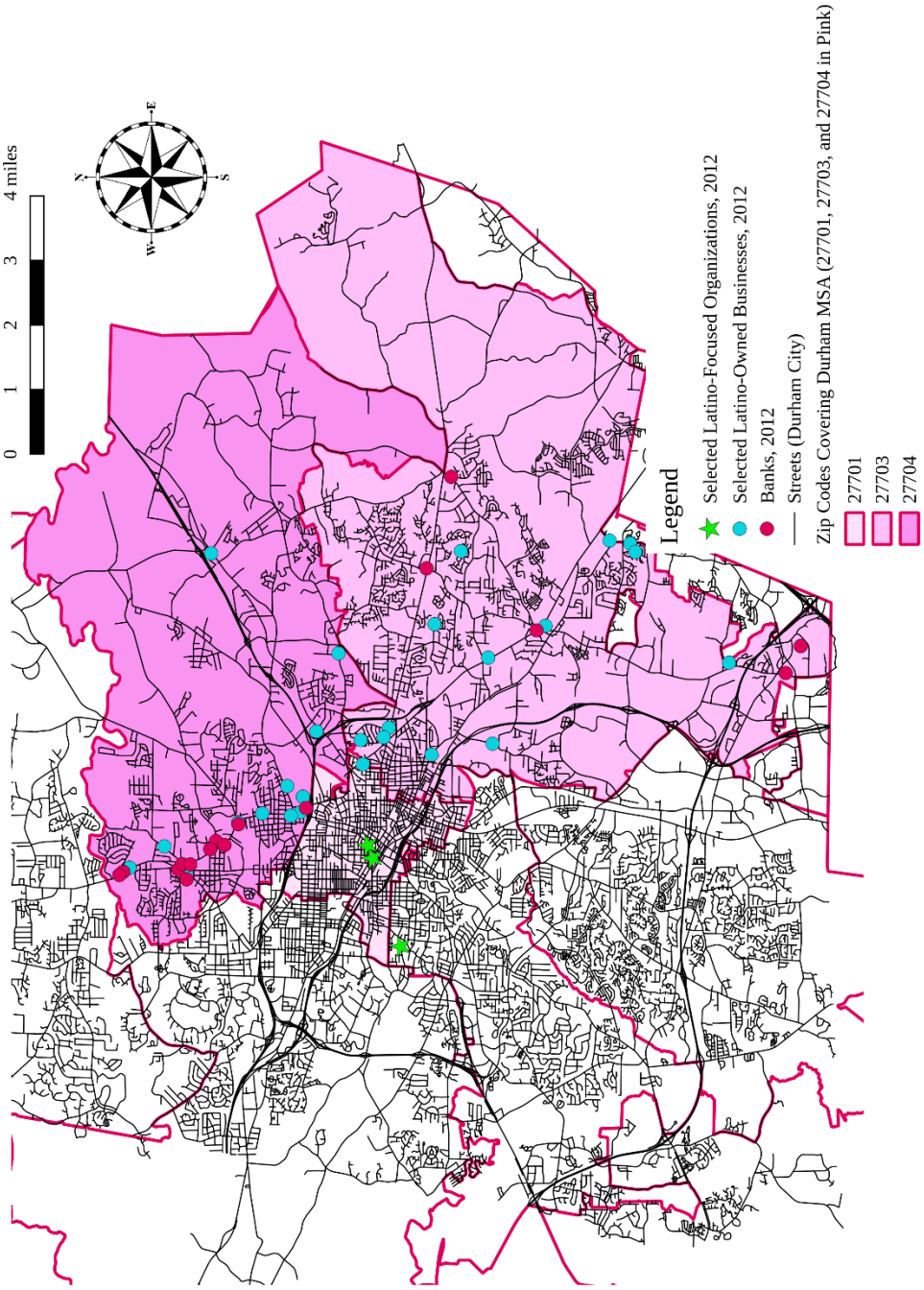


Figure 4.28: Selected Latino-Owned Businesses in Zip Codes 27703 and 27704, 2012 (author's creation from Reference USA historical business data and GIS data from US Census Bureau and City of Durham)

Again, the paucity of evidence generated from the surname analysis makes it difficult to generalize about Latino-owned businesses in Durham. There may have been a

developing cluster of Latino-owned businesses close to where the three zip codes meet, northeast of downtown Durham, but a more thorough on-the-ground study would be required to determine how many Latino-owned businesses are there and how they might relate spatially to each other. It can at least be observed, however tentatively, that the Latino-owned businesses cluster near larger roads, and that in at least some cases it is advantageous to be close to the center of the city. The Latino business owners also seem to have some access to banks, especially in 27704. It should be noted that all of the banks represented by red dots are branches of larger, non-ethnic banks such as Bank of America[33] and BB&T[34]. But are local Latinos less likely to use non-ethnic banks when the Latino Community Credit Union is available? Or are they better prepared to apply to the non-ethnic banks for business capital? The potential relations between the Latino Community Credit Union, local non-ethnic bank branches, and the local Latino customer base would make for a valuable case study, which does not seem to exist yet in the literature. The Latino Community Credit Union was featured in a case study of ten banking institutions identified as successful in reaching the Latino community, but the study focused primarily on remittances, and the interviews were conducted in 2002 (Bair, 2005).

It appears, from this initial case study, that entrepreneurship is less of a focus for organizations serving the Latino community in Durham than it is in other areas, including GES. Neither El Futuro nor El Centro Hispano offers programs targeted at aspiring

[33] These may previously have been Nationsbank branches. Nationsbank, the product of two banks founded in Charlotte in the late 19th century, acquired Bank of America in 1998 and changed its name, although the post-merger bank continues to keep its headquarters in Charlotte.

[34] Headquartered in Winston-Salem.

entrepreneurs. While both Duke University and the University of North Carolina-Chapel Hill have business schools with organizations representing Latino students and community-service programs, neither seems to have a community-service program dealing specifically with local Latino businesses. A 2004 case study published by Duke University's Fuqua School of Business suggests a deliberate division between the Self-Help Credit Union, which offered business loans, and the nascent Latino Community Credit Union:

> Durham based Self-Help Credit Union explored the possibility of expanding to provide retail services to the Latino population, but it determined it did not have the expertise to do so. Self-Help provided wholesale services to businesses and homebuyers, serving a different segment of the Latino population, and neither its product offering nor its physical structures were outfitted to support a retail operation. Most important to the Latino community, Self-Help was run by non-Latinos and served all minority groups, so there was concern that Latinos would not get the specialized attention they needed. Self-Help's leaders felt that a retail operation within Self-Help could mean the continual exclusion of Latinos from the U.S. financial system, even though other minority groups would benefit. In 1998, it became clear that a community-based financial institution would be the most effective way to bridge language and cultural barriers, as well as barriers of trust, so Latino leaders began planning for what would eventually be a new, immigrant-supported credit union. (Abad & Elboim, 2004)

The question thus remains: when Latinos in Durham want to start a business, where do they go for money? It may be that the availability of organizations such as El Centro Hispano and the Latino Community Credit Union has spillover effects of a sort, in that aspiring Latino entrepreneurs have greater resources to start a business even in the absence of programs designed specifically to address their needs. It may be that Latino aspiring entrepreneurs are underserved in the Durham MSA. Both may be true. Determining the process of entrepreneurship, specifically capital acquisition, for Latinos in Durham would require more rigorous and specific field work. From this distance it can

at least be said that the entrepreneurs of Durham do not have the particular, and significant, spatial challenges faced by their counterparts in the GES neighborhoods of Denver.

4.7 Summary

This chapter has looked at Latino entrepreneurs first at the national level; then at the MSA level; and then at the street level for zip codes in two MSAs. The national-level data confirms the literature's finding that Latino entrepreneurs, as a whole, are younger than their non-Latino counterparts, less likely to have been born U.S. citizens, and less likely to have a bachelor's or post-bachelor's degree. Their businesses are also younger than those started by non-Latino entrepreneurs, less likely to be owned by family, started with less startup capital, and more vulnerable to interruptions in cash flow. The overall picture is that Latinos generally start their businesses from a more precarious position than do non-Latinos. The Latino respondents to the 2014 also give some evidence of being more likely to be pushed into entrepreneurship than non-Latinos, as a greater percentage of Latinos cited "couldn't find a job" or "wanted greater income" as reasons to start a business.

The next set of analyses looked specifically for ways to tease out differences between metropolitan areas for Latino entrepreneurs. Latino participation in construction is an appealing potential proxy variable, because it is a lower-skill industry that might be easier for Latino entrepreneurs with lower levels of formal education to enter, and because it is a particularly visible employer of Latinos, especially in new-gateway metropolitan areas. But the data is not robust enough to support any strong correlations

between share of firms in construction and subsequent performance. The analysis then turns to the proposed "gateway" classification, which has been used frequently to discuss shifts in immigration settlement and general demographics.[35] If the gateway classification is useful for Latino entrepreneurship, then there should be a difference between how businesses perform in metropolitan areas with longer histories of immigrant settlement and those with little or no history of hosting an immigrant population. The evidence for such a difference is hard to see, and even harder when taking to account the specific cases of Denver and Durham, one a re-emerging MSA whose Latino population in the Globeville and Elyria-Swansea neighborhoods nevertheless seems to be having difficulty forming any sort of supportive ethnic enclave, the other a minor-emerging MSA in a state notably hostile to immigrant integration that nevertheless has a more extensive financial support network for local Latinos.

[35] According to Google Scholar, Singer (2004) has been cited more than 700 times, and the book *Twenty-First Century Gateways: Immigrant Incorporation in Suburban America* (Singer et al., 2009) has been cited more than 400 times.

Chapter 5 : Conclusion

5.1 Introduction and Summary

The previous four chapters focused on the question of finding which metropolitan-area level factors might affect the formation and performance of Latino-owned businesses. The first chapter introduced the problem and explained its importance, both in terms of expanding the literature on immigrant entrepreneurship and in terms of introducing the consideration of such factors to local practitioners, especially planners. Chapter 2 showed how patterns of Latino immigration have shifted since 1990, and what that implies for Latino entrepreneurship and for the economies and politics of the metropolitan areas which have seen significant, and unforeseen, surges in Latino population. Chapter 3 reviewed the relevant literature on immigrant entrepreneurship: why immigrants might decide to found businesses; how their surrounding environment, including proximity to co-ethnics, might influence their decision and the subsequent focus of, and performance of, their business; how immigrant entrepreneurship is often intertwined with community formation and community development; what obstacles immigrant and minority entrepreneurs often face, and which of those obstacles are most likely to be encountered by aspiring Latino entrepreneurs; and what research has been done to date looking at immigrant entrepreneurship with an emphasis on different geographic scales. Finally, Chapter 4 used analysis at three different scales to demonstrate the differences between Latino and non-Latino entrepreneurs and their firms,

and to test methods of uncovering how those differences might be reduced or exaggerated in different metropolitan areas.

This final chapter will consider the implications of this previous research. The question "Which metropolitan-level factors affect Latino-owned business performance?" is not easily answered with the present data available. However, when combining the literature and the multiple analyses presented here, it is possible to draw conclusions that have implications for researchers, policy-makers, and economic development and community development professionals.

5.2 Implications for Data Collection

Comparative, quantitative research of Latino-owned business performance is a contribution to the literature because it is relatively rare: much of the past research on immigrant entrepreneurship was sociological in origin, qualitative in nature, and case-study in form. This dissertation is meant to follow the lead of researchers such as Liu (2012b, 2014); Liu and Abdullahi (2012); Liu and Painter (2011, 2012), Q. Wang (2012, 2013a, 2013b, 2013c); Q. Wang and Li (2007); and the team led by Fong (Fong et al., 2008; Fong et al., 2007, 2012; Fong, Luk, & Ooka, 2005) in examining immigrant entrepreneurship with an emphasis on spatial variables. In doing so, it has demonstrated where current data collection efforts may be impeding researchers from assessing the relationship between business performance and the metropolitan context, and making comparisons between metropolitan areas.

Part of the challenge for researchers derives from studying businesses, which means including privately-owned as well as publicly-owned firms; and privately-owned firms disclose less than do publicly-owned firms. Similarly, the economic impacts of larger firms are easier to see and measure than those of smaller firms. This creates the potential for an understandable but unhelpful bias when talking about business performance from an economic development perspective. As an example of how this bias might affect policy decisions and discussions, it may be easier to plan for and promote the potential jobs brought by a second Amazon headquarters (even if those predictions turn out to be quite wrong) than it would be to plan for and promote the potential jobs created by twenty local businesses, because Amazon's quarterly filings and annual reports provide a concrete numerical peg for the discussion.

Acquiring data for comparative research is an even greater challenge. The advantages of the Survey of Business Owners are that it is administered nationwide, in multiple metropolitan areas, and standardized, reducing some uncertainty in making comparisons between MSAs. The 2007 and 2012 SBOs have the additional advantage of treating ethnicity and race as separate questions, preventing conflation between Latino self-identification and racial self-identification. However, the Survey of Business Owners is a snapshot of business activity taken once every five years.[36] Therefore it is difficult to assess year-over-year business performance, and assess whether greater numbers of small businesses, as is true for Latino communities in many MSAs, indicate

[36] In June 2018 the Census Bureau announced plans to replace the SBO, the ASE, and the Business Research and Development and Innovation Survey for Microbusinesses (BRDI-M) with one new survey, the Annual Business Survey (ABS). The ABS survey questionnaire is very similar to that of the ASE, although it adds sections on "Innovation" and "Research and Development." The first ABS data is not scheduled to be released until December 2019 at the earliest (United States Bureau of the Census, 2018).

recent new entrepreneurial growth or a collective difficulty in growing businesses beyond a certain size. Furthermore, comparing 2007 to 2012, the two most recent SBO iterations available, obscures the economic tumult of the Great Recession; a metropolitan area with similar business numbers in both surveys might have looked very different had one of the surveys taken place in 2009 or 2010. Finally, the Survey of Business Owners identifies its sample from federal tax records, meaning it is less likely to include smaller and informal businesses.

This research also used privately held data from Reference USA, available to the street address. The chief disadvantage of the Reference USA historical data is that it has no information as to the business owner's ethnic identity, requiring the use of surname analysis. But not every record has a name attached, and in many cases the person whose name is associated with the business in the Reference USA database may not be the owner. In short, while address-level data is useful for discerning spatial patterns, future research would benefit from drawing from additional methods of determining Latino-owned businesses when examining a particular area, such as field work and direct observation, the use of secondary sources such as the local *Páginas Amarillas*, or local administrative records related to taxes, zoning requests, or health inspections.

Going forward, there are two aspects of research design to consider: the type of data collected and aggregated, and longitudinal versus snapshot data. Longitudinal data can show what happens to a particular cohort of businesses over a period of time, giving the researcher more opportunities to distinguish trends among expected business churn. Useful longitudinal surveys on entrepreneurship include the Panel Survey of Entrepreneurial Dynamics, which began screening in 1998 and conducted surveys 2005

through 2011, and the Kauffman Firm Survey, which ran from 2004 to 2011. Latinos are unfortunately underrepresented in the latter survey, which emphasized technology firms. Meanwhile, the current Stanford Latino Entrepreneurship Initiative is in the process of assembling a nationwide database of Latino business owners, which could lead to future opportunities for longitudinal studies.

But even with a longitudinal study, the metrics for measuring business performance have to be chosen carefully. Year-over-year growth is the most obvious choice, but a lack of growth, as discussed earlier, does not necessarily imply the business is not meeting its owner's goals (and growth itself does not guarantee profitability). The researcher has to ask the question: successful for *whom*? From the standpoint of the local economic development authority, a large business that employs more people may be preferable to several small ones. But a particular business might be helping or harming the local community in ways not captured in a simple profit-and-loss or tax-revenue calculation—as might Latino entrepreneurs in their community-organization efforts, such as helping to sponsor local festivals, or in positioning their stores as social spaces.

One potential alternate approach to data collection, then, is explicitly problem-driven: the researcher first answers the question, "Successful for whom?" and then chooses metrics from there. If the "whom" is the metropolitan area, then such metrics as tax revenue and number of employees would be more useful. If the focus is on the entrepreneurs themselves, then the data gathered may have more to do with credit acquisition, loan repayment, business longevity, and business growth. A study more concerned with the employees of locally started businesses, then the focus would be on such factors as payroll and commute time. This does imply a greater emphasis on local

and bottom-up, rather than national and top-down, data collection efforts. Locally collected data runs the risk of making comparisons more difficult, as the data collection and presentation may not be standardized.

There remain, however, multiple promising new avenues for data collection in regards to Latino entrepreneurship and/or immigrant entrepreneurship more generally. Microdata from underutilized sources, such as restaurant-licensing and health-inspection data (Hoalst-Pullen et al., 2013) could be used to locate and track Latino-owned businesses. School-enrollment data could be used to observe migration patterns and distinguish Latino communities by country or place of origin and first language spoken. Finally, given the emphasis on community-building through philanthropy among successful Latino entrepreneurs (Agius Vallejo, 2015), charitable-contribution data and publicly-disclosed data from non-profit organizations could add to our understanding of the interplay between entrepreneurship, community-building, and neighborhood formation, particularly in neighborhoods with higher concentrations of native-born Latinos.

5.3 Implications for Theory and Future Research

Hand in hand with the problems of data presentation goes the question of what scale is the most appropriate for studying Latino entrepreneurship. Given the disadvantages of the data collected at the metropolitan-area level, discussed in the previous section, many researchers understandably eschew higher-level quantitative data in favor of conducting their own smaller surveys or case studies. This research is valuable

but can be hard to apply for comparative purposes. As an example, take Young et al. (2009) on the financial behaviors of Latino (largely Latina) immigrants in Las Vegas. As they note, the local hospitality-services union had mounted a successful campaign to educate its members on the benefits of participating in traditional banking services, to the point that over three-fourths of survey respondents had a checking account. As a case of a non-governmental third party providing financial education to Latino immigrants, this is an encouraging case, worth studying; but how unique is it? Is financial education a common union benefit? Did the hospitality workers in Las Vegas respond differently than might, say, transportation workers in Savannah or Long Beach or food-service workers in New York City? The Young et al. study does not say, and is not designed to say. It does not take anything away from that study to wish that it had a twin, focusing on a different subgroup of Latino immigrants or a different industry or metropolitan area.

One methodological approach worth considering, then, is the comparative case study, of two different metropolitan areas or two different ethnic groups in the same area. A model for such research in economic development literature is Saxenian (1996), which compares technological development and work cultures in Silicon Valley and the Route 128 corridor in Massachusetts over a period of decades. By focusing closely on two cases, Saxenian is able to highlight differences in the decisions made by entrepreneurs in both areas, while still being able to point out commonalities that might also be found in areas well outside Silicon Valley and Route 128. Immigrant-entrepreneurship literature is not bereft of such cases: examples include Lo et al. (2003) comparing Polish and Somali immigrant groups in Toronto and Q. Wang and Li (2007) comparing Latino entrepreneurs in three American cities. But for the most part the literature comes from

broader surveys or from case studies based on one group in one area. A comparative study, such as the brief overview of neighborhoods in Denver and Durham presented here, can present more opportunities to note where Latino entrepreneurs' experiences are similar across metropolitan areas, and where differences might be attributable to specific local policies.

Another option is the embedded case study, which focuses not on the metropolitan area, or even the street, but the firm. Studying a particular firm over a period of time allows the researcher to illustrate the effects of the local business environment on an aspiring entrepreneur through examples and narrative. A well-known example of the embedded case study in planning literature is Flyvbjerg's book-length description of the planning process surrounding accessibility to the city center of Aalborg, Denmark (1998). Firm-based embedded case studies have also contributed to management literature: a particularly thoughtful example is Weeks (2004). But they are much rarer in planning literature, because the unit of planning study is generally the city, region, or neighborhood, rather than the firm. Furthermore, a firm-based embedded case study requires a considerable amount of empathy and cultural sensitivity (not to mention fluency in the primary language or languages spoken within the business), and implies a certain amount of risk on the part of the researcher should the business fail before sufficient research can be gathered. An aspiring researcher might mitigate that risk by embedding with two or three firms—which, again, points back to the potential usefulness of the comparative case study.

A few more specific points can be made from this research:

The "gateway" typology is less useful for describing Latino entrepreneurship and Latino-owned business activity than it is for describing shifts in immigrant settlement patterns. Sections 4.4.4 and 4.5 used the gateway typology to compare Latino-owned business performance in two different sets of MSAs. Specifically, Section 4.4.4 tested re-emerging and minor-emerging gateways, to determine how the difference between the two might affect Latino-owned business performance, while Section 4.5, in comparing MSAs in different gateways, included a dummy variable for history of immigrant settlement. The "gateway" typology relies on two different measurements: immigration rates prior to 1990 and immigration rates post-1990. If a metropolitan area's history of receiving immigrants makes a difference to how current immigrant-owned businesses perform, then a comparison of these two groups—the re-emerging gateways having hosted immigrant populations at the start of the 20th century, a history the minor-emerging gateways lacked—should have shown differences in Latino-owned business performance. The first analysis, comparing the minor-emerging and re-emerging MSAs, failed to show this difference, while the history dummy in the second, broader analysis was not statistically significant.

Any comparison of metropolitan areas remains subject to confounding variables. To give just one example in the case of the minor-emerging and re-emerging MSAs, the former group is clustered mostly in the southeastern United States, with traditionally lower housing costs; the latter group includes Seattle, Portland, and San Jose, three metropolitan areas known for high housing costs. The Latino populations settling in the two sets of MSAs appear to differ, in terms of likelihood of citizenship and comfort level with English; these factors can be expected, in turn, to influence Latino business

formation, although given the data available they did not have particular predictive power. As such, while the idea of the gateway might provide a useful demographic and political framework for describing immigrant settlement patterns, the variables it emphasizes—immigration history in particular—may not be the most useful ones when looking for metropolitan-level differences specifically with regard to Latino entrepreneurship.

Local factors matter. The Denver and Durham case studies further cast doubt on the utility of the "re-emerging" category in particular with respect to Latino business activity. In both northeastern Durham and the Globeville / Elyria-Swansea neighborhoods, Latinos faced common disadvantages, chiefly lower incomes and lower levels of formal education than the majority population. But although Globeville and Elyria-Swansea have over a century of history of immigrant settlement and immigrant community formation, a history not available to Durham neighborhoods, there seem to be more resources available to the Latino community in Durham than in the Denver neighborhoods. In this particular case, heavy industry presence and geographic isolation following the building of I-70 and I-25 seem to have limited entrepreneurial prospects in Globeville and Elyria-Swansea. In fact, one could say that in this particular case, Denver's history as a re-emerging immigrant gateway worked to the *dis*advantage of its current residents: the very industrial plants that provided employment from immigrants from central and eastern Europe at the end of the nineteenth century left behind a zoning footprint that continues to impact GES residents' lives in the twenty-first, even though industrial production is no longer a potential major employer in the area.

Durham, meanwhile, saw its Latino-owned businesses grow dramatically from 2007 to 2012, in the midst of an economic downturn. Admittedly, this growth was from a small start, but it is still remarkable, given the national economic circumstances of the time and given the anti-immigrant sentiment expounded by the North Carolina state legislature. As a university town in the midst of a "Research Triangle" where both public policy and private actors encourage the recruiting of high-tech businesses, Durham does not at first glance look like a metropolitan area that would be hospitable to low-skilled business formation. But the presence of two major universities in the metropolitan area means opportunities for nonprofit formation and application, creating an environment for such efforts as the Latino Community Credit Union to succeed. A different typology might separate Durham and Columbus, Ohio—another minor-emerging metropolitan area with a large research university present—from minor-emerging gateways such as Lakeland-Winter Haven and Cape Coral-Fort Myers, Florida, which do not.

The link between Latino entrepreneurship and the construction industry should not be over-emphasized. Latino entrepreneurship is stereotypically associated with the construction industry, in part because of the role Latino immigrant workers played in constructing the houses of the late-1990s and early-2000s boom. And construction was one of the largest industries for Latino entrepreneurship, construing 16% of all Latino firms in the 2012 SBO. Yet testing showed little value for share of Latino firms in construction as a predictive variable. Moreover, in the regression analysis of 57 different metropolitan areas, the percentage of the local labor market working in construction did not have a statistically significant relationship with the percentage of Latinos reporting self-employment.

This suggests several possibilities for future research. One is to look more deeply about Latino entrepreneurship in construction, particularly to the role labor by undocumented Latinos, and informal businesses, play in this industry. If Latino immigrants are pushed into construction (or service) work because lack of documentation makes it difficult for them to start businesses in other fields, it may be that undocumented workers' limited options act to distort the market, providing a artificially large source of workers. Another possible line of research is to survey Latino entrepreneurs who have built more than one business to see whether they change industries; it could be that entrepreneurs do not stay in construction but rather use it as an initial entry into entrepreneurship. A third possibility is that Latino entrepreneurship in construction was the exception, driven by the housing boom, rather than the rule, and that to associate Latino entrepreneurship with construction is to fail to recognize that Latino entrepreneurs might be adapting to changing economic circumstances and market demands. All of this is speculation; but it serves to emphasize that the relationship between Latino entrepreneurship and the construction industry is not as clear-cut as the stereotypes would have it.

The relationship between Latino-owned business performance and local political activity regarding immigrant settlement requires further research. The case study of Durham, in a state whose legislature has recently passed some of the most restrictive anti-immigrant legislation in the country, failed to settle the question: did the small number of identified Latino-owned businesses in the metropolitan area reflect anti-immigrant hostility? Again, scale is an issue. Communities in cities such as Durham—and Charlotte, where lawmakers' efforts at passing sanctuary-city legislation was

deliberately targeted and outlawed by the state legislature (Misra, 2015)—may deliberately position themselves as pro-immigrant; and yet the immigrants living in those communities have to balance the state threats against the city opportunities. County governments offer another layer of potential welcoming or potential hostility. Chapel Hill, in Orange County, is in the Durham MSA; one county west is Alamance County, which in 2012 was actually expelled from the 287(g) program because the Justice Department found its enforcement efforts too obviously anti-Latino (Willets, 2017).[37]

Common sense says that, by limiting the ability of undocumented Latino immigrants to engage in normal day-to-day activities, more restrictive immigration enforcement cuts into Latino businesses' co-ethnic customer base. Having conducted a survey of small businesses in eleven different markets across the country, the National Association for Latino Community Asset Builders (NALCAB) found similar results:

> Since early 2017, policy changes and increased immigration enforcement have created uncertainty and fear within immigrant communities across the country, and have triggered a significant market disruption. There are grave concerns about how increased enforcement impacts family and social cohesion, and economic impacts are already being felt by entrepreneurs, who have seen a decline in consumption of their goods and services as their customers prioritize remittances to their home countries. Entrepreneurs are also less willing to take on debt or participate in asset building activities for fear of deportation, raising serious concerns about economic vitality in urban and rural communities where immigrants have played a key role in fostering vibrant economies. (National Association of Latino Community Asset Builders (NALCAB), 2017)

One question for future research is whether the wrong correlation was tested: does greater Latino-owned business activity lead to greater anti-immigrant legislation? In this

[37] In November 2017 Alamance County re-applied for 287(g) participation (Willets, 2017). As of late April 2018 U.S. Immigration and Customs Enforcement lists six North Carolina counties participating in the 287(g) program, including Mecklenburg County, which covers the city of Charlotte. Alamance County is not listed (U.S. Department of Homeland Security Immigration and Customs Enforcement (ICE), 2018).

hypothesis, greater success on the part of Latino business owners, and greater visibility of Latino business activity, is interpreted as a threat to the white, native-born majority. But looking at examples of recent scholarship on the sources of anti-immigrant sentiment give little support to this hypothesis. Fetzer's (2011) survey of factors influencing public attitudes in Europe and the United States does not discuss entrepreneurs or small businesses. Sabia (2010), studying nativist beliefs in Georgia, which like North Carolina had little history of Latino settlement before the 1990s, does mention economic fears, but only in the sense of white and African-American native-born workers fearing job loss to the Latino newcomers. Greater visibility did seem to arouse native-born hostility, though, in the form of Spanish-language radio stations, billboards, and advertisements—all of which would suggest greater wealth and business activity on the part of the local Latino community.

Therefore it remains possible but not proven both that native-born communities respond to increased Latino entrepreneurship with hostility, and that anti-immigrant legislation affects Latino-owned firms. Future comparative research will have to examine whether differences in legislation directed at recent immigrants passed by counties and states, welcoming or hostile lead to differences in the health of those areas' business communities.

While the gateway typology does emphasize the historical receptivity of certain gateways toward immigrant settlement, it has not been updated to reflect more recent differing reactions to immigrant settlement in newer gateways. Two different metropolitan areas in the same gateway classification might have two different local and political reactions to a growth in local immigrant population. In fact, given the earlier

observations about 287(g) enforcement jurisdictions and sanctuary cities overlapping each other within the same metropolitan areas (exemplified in the case of Durham), any one gateway may well have a multitude of local and political reactions to a growth in local immigrant population. Which is to say: if a "gateway" reacts with anti-immigrant legislation, and fails to put in policies to support those new residents, should it really be called a "gateway"? What if a gateway reacts with anti-immigrant legislation *and* puts in policies to support new residents? The gateway classification may be more useful if it can be expanded to include the formation and effects of particular efforts directed at immigrant populations, either to support or to repel. Very recent research on the idea of the "welcoming city" (Huang & Liu, 2018; McDaniel, Rodriguez, & Kim, 2017) may help expand understanding of the relationship between new immigrant populations and the sociopolitical environments that greet them.

Latino business owners, particularly in new gateways, may not form traditional ethnic enclaves in the manner of previous immigrant communities in more urbanized metropolitan areas. Both of the case studies failed to show significant clustering of Latino-owned businesses. While that may be a reflection of the limited street-level data, it also reflects the greater suburbanization of Latino and immigrant communities in metropolitan areas outside the best-known urban major-continuous gateways. Here it is important to remember that not every suburban immigrant community is an "ethnoburb." Since the beginning (Li, 1998) ethnoburbs have been discussed as concentrations of higher-than-average personal incomes. Ethnoburbs are also defined by residential concentration, rather than business concentration. As a result, a co-ethnic concentration in a suburban area does not guarantee an ethnoburb. The

contrast of Latino-owned businesses doing well in Miami, known for supporting an ethnic enclave, and less well in Atlanta, where Latino in-migration is considerably more recent and scattered throughout a large metropolitan area (Q. Wang, 2013a), suggests that suburbanization may impede the formation of ethnic enclaves that could support Latino-owned business growth, particularly for Latino immigrants.

The creation of enclaves is made easier by spatial proximity and higher levels of enforceable trust, both of which may be harder in find in less dense neighborhoods. (Auto-dependent urban design may also hinder networking, especially in metropolitan areas where Latinos are particularly worried about being harassed by police while driving.) Business networks can be facilitated; in the absence of such facilitation they may be less likely to occur, and their benefits to their participants may be fewer. Which leads to the last point: how policy-makers can take the research presented here and translate it into actions to aid Latino business owners.

5.4 Implications for Planning Practice

The research, both in previous literature and the quantitative data presented here, is unequivocal: Latino entrepreneurs suffer from particular disadvantages when compared to their non-Latino peers. The most frequent disadvantage is limited access to business capital: Latinos have fewer ways to acquire it, start their businesses with less of it, and are in greater danger of having to close their businesses due to the lack of it. A second potential lack is not business capital but business knowledge, such as how to create a business plan, how to apply for a loan, and how to keep abreast of tax and health

regulations. In both these areas, plus the related areas of marketing and networking, lie clear opportunities for planning practitioners working in economic development to help facilitate the growth of local Latino entrepreneurship.

Networking and marketing facilitation are common business-development practices, as discussed by Leigh and Blakely (2013). In a 2014 survey of city- and county-based economic development practitioners, three-quarters reported having a local business publicity program in their toolkit, 84% conducted surveys of local businesses, and 83% engaged in some kind of tourism promotion (International City-County Management Association, 2014). Therefore economic development professionals should be able to extend their marketing efforts to local Latino-owned businesses. Depending on the mix of local firms, such promotions could come as part of general marketing strategies, as part of a specific effort promoting business diversity, or both.

Local Latino business owners and aspiring entrepreneurs might also benefit from networking events. Non-Latino economic development professionals should understand that networking, even among co-ethnics, does not happen automatically. It would be a mistake to read Portes and Sensenbrenner (1993) and jump to the conclusion that ethnic communities automatically generate bounded solidarity—or, for that matter, that an absence of bounded solidarity implies a community too weak or fragmented to form an enclave. A contrasting, but still instructive, example is that of Welch (2010), who described the amount of effort and patience it took to create a networking group of Latino business owners in a rural Iowa community. While the networking community that emerged was entirely Latino, some intervention was required to facilitate meetings and communication between the members. The work of Valdez (2008), Levanon (2014), and

Lo et al. (2003) also serve as reminders that an enclave as a group might still be disadvantaged, even if showing high levels of social capital and bounded solidarity.

Local planners and economic development professionals may be able to contribute to work already started by community organizations and non-profits. The United States Hispanic Chamber of Commerce has more than 200 local branches (United States Hispanic Chamber of Commerce (USHCC), 2018). Other umbrella organizations include NALCAB; Hispanic Federation, which covers the greater New York City area; and industry-specific associations such as ALPFA (Association of Latino Professionals For America) and SHPE (Society of Hispanic Professional Engineers). Branches of these organizations may in turn partner with local organizations, such as Durham's Latino Community Credit Union or Atlanta's Latin American Association.[38] These established organizations, some tied specifically to business and others more broadly serving the Latino community, would be able to help economic development professionals better document the focus and needs of local Latino entrepreneurs. This recommendation is similar to that given by Carpenter and Loveridge (2018) in their examination of minority-owned businesses using Census microdata.

The case study by Agius Vallejo (2009) of the Santa Ana, California, chapter for the Association for Latinas in Business (ALB) (a pseudonym) is valuable both in its detailed, sympathetic descriptions of Latina networking efforts and in the way it suggests

[38] To date there is not a great deal of literature specifically looking at the role of Latino churches and other religious organizations in providing social services. Hung (2007), in analyzing differences in non-profits serving particular ethnic groups, found that such activities may be more often provided by non-religious service non-profits. Brown (2008) found that Latino congregations were less likely to provide long-term services, such as job training, than were black congregations, although more likely than Asian and white congregations.

local economic development professionals could enhance those efforts. Agius Vallejo describes how the ALB's activities take place in the context of Orange County, which has a long history of discrimination, both legal and social, against its Latino population. She herself experienced such discrimination while working at the ALB's behalf at an event billed as "Orange County's Largest Mixer" for business professionals:

> When an older, well-dressed white male approached our table, I handed him a membership brochure and inquired about his line of work. He replied that he is a cosmetic surgeon in Laguna Beach, an affluent city located in South Orange County, and that he specializes in working with women professionals who may not have a lot of time to go under the knife for lengthy procedures. I suggested he join the Association for Latinas in Business as it might be a good opportunity to obtain new clients because a majority of the ALB's members are female entrepreneurs and professionals. He promptly handed back the membership brochure and exclaimed, "This is a *Latina* organization? I don't think your members are my caliber of people. I usually deal with the Newport Beach type of ladies." (Agius Vallejo, 2009)

In such cases the economic development practitioner can promote groups such as ALB, normalizing their presence in majority-dominated existing business networks, and pushing back against the idea that Latino participants are not of the same "caliber" as white participants. In this way the economic development professional is something of an intermediary between Latino-serving organizations and the greater business community, allowing Latino entrepreneurs to access a larger network while retaining the benefits of working primarily with a culturally competent organization.

In the case of credit facilitation, the balance between economic development provision and local community-development organization would have to be even more delicate. It is one thing to facilitate greater access to capital, and another to actually be the capital provider. Making loans to small businesses, regardless of the entrepreneur's background, is inherently risky, and local planners may not have the financial capital—

or, perhaps even more crucially, the political capital—to become venture capitalists, especially in metropolitan areas where immigrant settlement is particularly contested. As Bates (2000a) observed in his overview of the history of MESBICs, many of those organizations, although they were receiving government financing to support borrowers deemed a higher credit risk, ended up either failing altogether, hobbled by lack of repayments, or financing only larger businesses deemed less risky, thus limiting their ability to reach the very borrowers they were created to serve.

For economic developers and other policy-makers to assume the responsibility of making loans to minority entrepreneurs also fails to take into account the historical trend of immigrant groups coming up with ways to fund their own ventures, from the founding of a bank for Japanese-Americans in Los Angeles in the 1920s to the founding of the Latino Community Credit Union in Durham in 2000. But the latter is the exception, not the rule, for Latino communities. Cantor's survey of nonprofits serving Latinos in the Washington, D.C., metropolitan area (2008) found that they were largely small and had few financial reserves to draw from; two-fifths had less than $100,000 in assets. In short, even if there are organizations serving the local Latino community that recognize a need for more capital, they may not have the administrative or financial capacity to meet that need.

The economic development planner's role, then, will depend on the identified needs of the local community. The planner might act as a facilitator between local organizations, entrepreneurs, and traditional banks. The planner's role may be more indirect, supporting financial-education efforts in hopes of spawning more direct links between traditional banks and the Latino community. The planners may seek to attract

financial institutions already working with Latinos to open new local branches. Or they may support programs that operate more as entrepreneurship facilitators than as direct lenders, such as La Cocina in San Francisco, a non-profit "food incubator" that works exclusively with low-income, primarily Latina, aspiring restaurant owners. La Cocina's model has inspired similar efforts, including Comal restaurant run by Focus Points in Elyria-Swansea.

Such policy practices will require a willingness on the part of the planner or planning group to invest time and effort in cultivating a relationship with local nonprofits or community representatives. It will also require respecting the accumulated knowledge of the community partner and being willing to defer to that knowledge when appropriate. And even a planning agency that accomplishes all that humbly and well will might still underserve a portion of the Latino population. Existing organizations might attract Latino participants of one particular national, regional, or linguistic background, but seen as less responsive by a different portion of the Latino population; parents caring for children, or children caring for elderly parents, may have less flexibility in their schedules and less ability to travel to meetings; undocumented residents may lack driver's licenses or be too worried about immigration authorities to travel, much less start a business. A government agency trying to gather data may be met with distrust.

In short, there is no one perfect way for economic developers to reach out and help the aspiring entrepreneurs in their Latino communities. But for those planners willing to recognize the value of making the effort, there are multiple strategies to try.

5.5 What Next for Latino Entrepreneurship Research?

This dissertation has illustrated both the necessity for and challenges of understanding how Latinos start and maintain businesses in the United States. Both within a particular MSA and comparatively across metropolitan areas, there remain a number of possibilities for future research. This becomes clear if we consider the founding of a business as not a smooth, straight process, but as a series of interactions, the outcomes of which are not necessarily predictable. What planning and preliminary research will the business owner be able to do? Will the business founder be able to obtain financing? How much, and from whom? What kind of physical space will the new business need, and will that space be available? Who is the founder's target audience, and will they come? What regulations will the new founder have to abide by, and who wrote them, and who might be campaigning to repeal them? The context in which entrepreneurship takes place is not fixed; to borrow a cliché, it is a river into which no two aspiring entrepreneurs ever step into the same way.

This research has also suggested a number of potential avenues for future research specific to Latino entrepreneurs, such as:

- How might social media and Internet use affect Latino entrepreneurs' ability to gain financial capital and business information outside of their local networks?
- What is the relationship between density and entrepreneurial activity more generally, and between density and Latino entrepreneurship activity in particular? What effects do urban design, particularly auto-dependent design and suburbanization, have on how both native-born and foreign-

born Latinos conceive of, locate, and finance their businesses? What effects might suburban location have on how Latino entrepreneurs target potential markets?

- How do Latino entrepreneurs choose business locations? What role might co-ethnic real estate professionals play in facilitating Latino entrepreneurship? What factors go into choosing the physical location for a business?
- How do differing and overlapping regulations at the city, metropolitan-area, county, and state level affect the formation and maintenance of Latino-owned businesses?
- Finally, how does Latino entrepreneurship in metropolitan areas with a disproportionately large share of one particular country or place of origin (such as Mexican origin in the southwest United States, or Puerto Rican origin in northeastern metropolitan areas) differ from entrepreneurship in Latino communities with a mix of countries and places of origin?

This dissertation has described the state of Latino entrepreneurship at multiple scales, from the national to the street-level. In doing so it has illuminated how Latino entrepreneurship might grow at the local level and helped to illustrate the many different contributors to the formation and survival of a business. As such, and as a stepping stone to future work, it will prove valuable to scholars—and also, perhaps, to entrepreneurs and the people who want them to succeed.

Appendix

A.1 Statistics from the 2014 Annual Survey of Entrepreneurs (ASE)

A.1.1 Industry Mix

Table A.1: Industry Mix of Latino Businesses (author's calculations from 2014 ASE)

NAICS ID	NAICS Industry Description	Number of Latino-Owned Firms, ASE 2014	Number of Non-Latino-Owned Firms, ASE 2014	% of Latino-Owned Firms in Sample	% of Non-Latino-Owned Firms in Sample
0	Total for all sectors	298,563	4,823,485	0.43%	0.50%
11	Agriculture, forestry, fishing and hunting	1,296	23,923	0.16%	0.41%
21	Mining, quarrying, and oil and gas extraction	485	19,639	0.02%	0.05%
22	Utilities	65	2,321	13.51%	12.17%
23	Construction	40,340	587,206	3.90%	4.61%
31-33	Manufacturing	11,649	222,342	5.25%	5.67%
42	Wholesale trade	15,683	273,588	10.77%	12.30%
44-45	Retail trade	32,152	593,371	5.85%	3.05%
48-49	Transportation and warehousing	17,460	147,084	0.70%	1.22%
51	Information	2,081	58,691	3.38%	4.15%
52	Finance and insurance	10,104	200,213	3.45%	5.05%
53	Real estate and rental and leasing	10,291	243,775	10.38%	14.79%
54	Professional, scientific, and technical services	30,986	713,317	0.08%	0.30%
55	Management of companies and enterprises	243	14,501	8.36%	5.91%
56	Administrative and support and waste management and remediation services	24,970	285,066	0.85%	1.10%
61	Educational services	2,544	52,920	10.32%	10.97%
62	Health care and social assistance	30,818	529,335	0.84%	1.74%
71	Arts, entertainment, and recreation	2,500	83,874	13.52%	9.07%
72	Accommodation and food services	40,371	437,364	8.23%	7.04%
81	Other services (except public administration)	24,565	339,553	0.18%	0.58%
99	Industries not classified	530	28,201		

Table A.1 continued

Table A.1 continued

NAICS ID	NAICS Industry Description	Number of Latino-Owned Firms, ASE 2014	Number of Non-Latino-Owned Firms, ASE 2014	% of Latino-Owned Firms in Sample	% of Non-Latino-Owned Firms in Sample
$\chi^2 = 27{,}331$; df = 19; $p < 2.2 * e^{-16}$					

Table A.2: Comparing 2014 ASE to 2012 SBO Data by Industry (author's calculations)

NAICS Code	NAICS Industry Description	Number of Latino-Owned Firms with Paid Employees (2014 ASE)	Number of Latino-Owned Firms with Paid Employees (2012 SBO)	Percent of Latino-Owned Firms (2014 ASE)	Percent of Latino-Owned Firms with Paid Employees (2012 SBO)
0	Total for all sectors	298,563	287,501	0.43%	0.22%
11	Agriculture, forestry, fishing and hunting	1,296	631	0.16%	0.24%
21	Mining, quarrying, and oil and gas extraction	485	700	0.02%	0.05%
22	Utilities	65	135	13.51%	13.46%
23	Construction	40,340	38,704	3.90%	3.64%
31-33	Manufacturing	11,649	10,475	5.25%	5.93%
42	Wholesale trade	15,683	17,036	10.77%	11.53%
44-45	Retail trade	32,152	33,136	5.85%	5.32%
48-49	Transportation and warehousing	17,460	15,291	0.70%	0.80%
51	Information	2,081	2,312	3.38%	2.97%
52	Finance and insurance	10,104	8,529	3.45%	3.48%
53	Real estate and rental and leasing	10,291	9,995	10.38%	10.29%
54	Professional, scientific, and technical services	30,986	29,582	0.08%	0.13%
55	Management of companies and enterprises	243	376	8.36%	8.78%
56	Administrative and support and waste management and remediation services	24,970	25,243	0.85%	0.75%
61	Educational services	2,544	2,142	10.32%	10.55%
62	Health care and social assistance	30,818	30,335	0.84%	0.82%
71	Arts, entertainment, and recreation	2,500	2,350	13.52%	13.16%
72	Accommodation and food services	40,371	37,825	8.23%	8.07%
81	Other services (except public administration)	24,565	23,214	0.18%	0.09%
99	Industries not classified	530	269		

Table A.2 continued

NAICS Code	NAICS Industry Description	Number of Latino-Owned Firms with Paid Employees (2014 ASE)	Number of Latino-Owned Firms with Paid Employees (2012 SBO)	Percent of Latino-Owned Firms (2014 ASE)	Percent of Latino-Owned Firms with Paid Employees (2012 SBO)
$\chi^2 = 864.86$; df = 19; $p < 2.2 * e^{-16}$					

A.1.2 Citizenship Status at Birth

Table A.3: Respondents' Citizenship Status at Birth by Ethnicity (from 2014 ASE data)[39]

Owner's Citizenship Status	Latino	Non-Latino	Total
Born a US citizen	150,262 (47.6%)	4,707,357 (86.4%)	4,707,357
Not born a US citizen	165,342 (52.4%)	743,733 (13.6%)	909,075
Not reporting	1,166 (0.4%)	15,005 (0.3%)	16,171
Total	315,604	5,451,090	5,766,694
$\chi^2 = 337,260$; df = 1; $p < 2.2 * e^{-16}$			

A.1.3 Age of Owner

Table A.4: Respondents' Age (from 2014 ASE data)

Age of Owner	Latino	Non-Latino	Total
Under 25	2,814 (0.9%)	23,454 (0.4%)	26,268
25 to 34	26,181 (8.3%)	290,296 (5.3%)	316,477
35 to 44	79,490 (25.2%)	906,986 (16.6%)	986,476
45 to 54	107,050 (33.9%)	1,567,409 (28.8%)	1,674,459
55 to 64	71,920 (22.8%)	1,671,928 (30.7%)	1,743,848
65 or older	28,133 (8.9%)	991,015 (18.2%)	1,019,148
Total	315,588	5,451,088	

A.1.4 Highest Level of Education Reported

Table A.5: Highest Education Level Reported by Owner (from 2014 ASE data)

Highest Education Level Reported by Owner	Latino	Non-Latino	Total
Less than high school graduate	39,033 (6.8%)	158,781 (2.9%)	197,814
High school diploma or GED	76,177 (13.3%)	1,032,827 (19.0%)	1,109,004
Tech/trade/vocational school	20,535 (3.6%)	316,410 (5.8%)	336,945
Some college	49,447 (8.6%)	813,503 (14.9%)	862,950
Associate's degree	17,779 (3.1%)	303,718 (5.6%)	321,497

[39] For this and subsequent tables presenting ASE data, the percentages shown are by column.

Table A.5 continued

Bachelor's degree	52,875(9.2%)	1,585,732 (29.1%)	1,638,607
Master's or professional degree or higher	315,549 (55.2%)	1,238,794 (22.7%)	1,554,343
Total	571,395	5,449,765	
$\chi^2 = 97,891$; df = 8; $p < 2.2 * e^{-16}$			

A.1.5 Motivation for Starting a Business

Table A.0.6: Respondents' Classification of Importance of Various Reasons to Start Own Business (from 2014 ASE data)

Reason	Ethnic self-identification	Classification of reason	Number choosing this classification	Percent choosing this classification
Wanted to be my own boss	Latino	Very important	191,734	61.00%
		Somewhat important	82,507	26.25%
		Not important	40,078	12.75%
	Not Latino	Very important	2,839,158	72.48%
		Somewhat important	162,708	4.15%
		Not important	915,247	23.37%
Flexible hours	Latino	Very important	162,686	51.82%
		Somewhat important	95,603	30.45%
		Not important	55,675	17.73%
	Not Latino	Very important	2,257,343	41.64%
		Somewhat important	1,917,554	35.37%
		Not important	1,246,829	23.00%
Balance work and family	Latino	Very important	189,556	60.42%
		Somewhat important	86,901	27.70%
		Not important	37,290	11.89%
	Not Latino	Very important	2,466,853	45.53%
		Somewhat important	1,922,145	35.47%
		Not important	1,029,520	19.00%
Greater income	Latino	Very important	198,306	63.12%
		Somewhat important	88,921	28.31%
		Not important	26,925	8.57%
	Not Latino	Very important	2,853,817	52.64%
		Somewhat important	1,873,805	34.56%
		Not important	694,028	12.80%
Best avenue for ideas	Latino	Very important	179,709	57.28%
		Somewhat important	96,831	30.86%
		Not important	37,201	11.86%
	Not Latino	Very important	2,522,294	46.56%
		Somewhat important	1,901,582	35.10%
		Not important	993,967	18.35%
	Latino	Very important	35,597	11.35%

Table A.6 continued

Reason	Ethnic self-identification	Classification of reason	Number choosing this classification	Percent choosing this classification
Couldn't find a job		Somewhat important	58,734	18.72%
		Not important	219,391	69.93%
	Not Latino	Very important	350,128	6.46%
		Somewhat important	824,034	15.21%
		Not important	4,245,298	78.33%
Didn't want to work for someone else	Latino	Very important	90,478	28.83%
		Somewhat important	113,625	36.20%
		Not important	109,779	34.97%
	Not Latino	Very important	1,415,963	26.11%
		Somewhat important	2,028,670	37.41%
		Not important	1,978,142	36.48%
Always wanted to start my own business	Latino	Very important	179,268	57.10%
		Somewhat important	85,086	27.10%
		Not important	49,589	15.80%
	Not Latino	Very important	2,083,040	38.45%
		Somewhat important	1,864,057	34.41%
		Not important	1,470,319	27.14%
Entrepreneurial friend or family member was a role model	Latino	Very important	96,617	30.78%
		Somewhat important	83,780	26.69%
		Not important	133,540	42.54%
	Not Latino	Very important	1,313,883	24.24%
		Somewhat important	1,504,793	27.76%
		Not important	2,602,618	48.01%
Other	Latino	Very important	12,633	12.72%
		Somewhat important	9,327	9.39%
		Not important	77,365	77.89%
	Not Latino	Very important	180,083	10.96%
		Somewhat important	162,442	9.89%
		Not important	1,299,821	79.14%
Did not respond	Latino	N/A	1,960	N/A
	Not Latino	N/A	30,578	N/A

A.1.6 Previous Self-Employment Experience

Table A.7: Previous Self-Employment Experience Reported by 2014 ASE Respondents (author's calculations)

Previous self-employment or business ownership experience	Latino	Percent of total	Non-Latino	Percent of total
Yes	93,279	29.6%	1,805,856	70.4%

Table A.7 continued

No	222,302	33.1%	3,645,097	66.9%
$\chi^2 = 1{,}722.4$; df = 1; $p < 2.2 * e^{-16}$				

A.1.7 Number of Hours Worked Per Week on Business

Table A.8: Number of Hours Worked Per Week on Business (from 2014 ASE Data)

Reported Hours Worked per Week by Owner	**Latino**	**Non-Latino**	**Total**
No hours per week	23,016 (7.3%)	498,900 (9.1%)	521,916
Less than 20 hours per week	40,523 (12.8%)	837,516 (15.4%)	878,039
20 to 39 hours	43,716(13.9%)	782,118 (14.3%)	825,834
40 hours	56,276 (17.8%)	818,978 (15.0%)	875,254
41 to 59 hours	88,415 (28.0%)	1,534,917 (28.1%)	1,623,332
60 hours or greater	63,674 (20.2%)	980,728 (18.0%)	1,044,402
Total	315,620	5,453,157	
$\chi^2 = 4{,}777.8$; df = 5; $p < 2.2 * e^{-16}$			

A.1.8 How Business Was Acquired

Table A.9: How Business Was Acquired (from ASE data)

How Business Was Acquired	**Latino**	**Non-Latino**	**Total**
Founded or started by survey respondent	248,866 (77.4%)	3,814,822 (68.3%)	4,063,688
Purchased	46,766 (14.5%)	1,165,137 (20.9%)	1,211,903
Inherited	6,188 (1.9%)	221,221 (4.0%)	227,409
Survey respondent was transferred or gifted the business	19,635 (6.1%)	385,721 (6.9%)	405,356
Total	321,455	5,586,901	
$\chi^2 = 942{,}470$; df = 3; $p < 2.2 * e^{-16}$			

A.1.9 Age of Business

Table A.10: Reported Age of Business (from 2014 ASE data)

Age of Business	**Latino-owned**	**Not Latino-owned**	**Total**
Less than 2 years in business	39,107 (13.1%)	425,389 (8.82%)	464,496
2 to 3 years	56,331 (18.9%)	641,490 (13.3%)	697,821

Table A.10 continued

Age of Business	Latino-owned	Not Latino-owned	Total
4 to 5 years	38,617 (12.9%)	458,489 (9.5%)	497,106
6 to 10 years	70,188 (23.5%)	1,026,950 (21.3%)	1,097,138
11 to 15 years	90,112(30.2%)	2,141,559 (44.4%)	2,231,671
16 or more years	4,209 (1.4%)	129,608 (2.7%)	133,817
Total	298,564	4,823,485	5,122,049
$\chi^2 = 30{,}926$; df = 5; $p < 2.2 * e^{-16}$			

A.1.10 Intellectual Property Holdings

Table A.11: IP Holdings of Primary Business by Ethnicity of Respondents, 2014 ASE (author's calculations)

IP Holdings of Firm in 2014	Latino-owned firms	Non-Latino-owned firms	Total
Owned a copyright	6,620 (3.3%)	141,061 (3.8%)	147,681
Owned a trademark	9,970 (5.0%)	217,629 (5.9%)	227,599
Owned a patent (granted)	1,361 (0.7%)	41,760 (1.1%)	43,121
Owned a patent (pending)	913 (0.5%)	27,360 (0.7%)	28,273
Owned none of the above	182,414 (90.6%)	3,255,113 (88.4%)	3,437,527
Total	201,278	3,682,923	
$\chi^2 = 1{,}132.7$; df = 1; $p < 2.2 * e^{-16}$			

A.1.11 Business Operations Outside the United States

Table A.12: Respondents Reporting Operations Outside the United States (2014 ASE data)

Operated Outside US in 2014	Latino-owned firms	Non-Latino-owned firms	Total
Yes	5,085 (2.6%)	48,058 (1.3%)	53,143
No	192,027 (97.4%)	3,515,012 (98.7%)	3,707,039
Total	197,112	3,563,070	
$\chi^2 = 2{,}030.4$; df = 1; $p < 2.2 * e^{-16}$			

A.1.12 Language Spoken at the Business

Table A.13: Respondents Reporting English Spoken at Business (2014 ASE data)

Speaks English at the Business?	**Latino**	**Non-Latino**	**Total**
Yes	189,274	3,540,146	3,729,420
No	7,728	21,559	29,287
Total	197,002	3,561,705	
$\chi^2 = 26{,}571$; df = 1; $p < 2.2 * e^{-16}$			

Table A.14: Respondents Reporting Spanish Spoken at Business (2014 ASE data)

Speaks Spanish at the Business?	Latino	Non-Latino	Total
Yes	131,884 (66.9%)	412,324 (11.6%)	544,208
No	65,118 (33.1%)	3,149,381 (88.4%)	3,214,499
Total	197,002	3,561,705	
$\chi^2 = 462{,}190$; df = 1; $p < 2.2 * e^{-16}$			

A.1.13 Family Ownership of Business

Table A.15: Respondents Reporting Family Ownership of Business (2014 ASE data)

Is Firm Family-Owned?	**Latino-owned firms**	**Non-Latino-owned firms**	**Total**
Yes	49,370 (24.9%)	1,027,319 (28.7%)	1,076,689
No	149,207 (75.1%)	2,554,524 (71.3%)	2,703,731
Total	198,577	3,581,843	
$\chi^2 = 1{,}347.3$; df = 1; $p < 2.2 * e^{-16}$			

A.1.14 Initial Amount of Startup Capital

Table A.16: Initial Startup Capital Amount by Ethnic Self-Identification of Owner (2014 ASE data)

Initial Startup Amount	**Ethnic Self-Identification of Owner**	**Number Reporting Use**	**Percent Reporting Use**
Less than $5,000	Latino	31,755	16.0%
	Non-Latino	543,384	11.3%
$5,000 to $9,999	Latino	24,914	12.6%
	Non-Latino	295,700	6.1%
$10,000 to $24,999	Latino	32,513	16.4%
	Non-Latino	425,479	8.8%
$25,000 to $49,999	Latino	23,257	11.7%
	Non-Latino	338,822	8.8%

Table A.16 continued

Initial Startup Amount	Ethnic Self-Identification of Owner	Number Reporting Use	Percent Reporting Use
$50,000 to $99,999	Latino	22,351	11.3%
	Non-Latino	369,118	7.7%
$100,000 to $249,999	Latino	16,354	8.3%
	Non-Latino	367,429	7.6%
$250,000 to $999,999	Latino	8,861	4.5%
	Non-Latino	242,690	5.0%
$1,000,000 to $2,999,999	Latino	1,393	0.7%
	Non-Latino	53,511	1.1%
$3,000,000 or more	Latino	488	0.2%
	Non-Latino	20,713	0.4%
Don't know	Latino	24,065	12.2%
	Non-Latino	609,367	12.6%
Not applicable	Latino	12,106	6.1%
	Non-Latino	307,050	6.4%
Total reporting	Latino	198,058	100.0%
	Non-Latino	4,823,485	100.0%
Item not reported	Latino	1,668	
	Non-Latino	25,826	

A.1.15 Source of Startup Capital

Table A.17: Source of Startup Capital by Ethnicity of Owner (2014 ASE data)

Source of Startup Capital	Latino-owned firms	Non-Latino-owned firms	Total
Owner's personal/family savings	143,203 (49.1%)	2,324,684 (44.4%)	2,467,887
Personal/family assets other than savings	19,544 (6.7%)	359,839 (6.9%)	379,383
Personal/family home equity loan	15,251 (5.2%)	265,473 (5.1%)	280,724
Personal credit card(s) carrying balances	29,452 (10.1%)	367,838 (7.0%)	397,290
Business credit card(s) carrying balances	11,837 (4.1%)	194,164 (3.7%)	206,001
Business loan from federal, state, or local government	834 (0.3%)	15,355 (0.3%)	16,189
Loan (guaranteed by the government) from a	2,606 (0.9%)	70,372 (1.3%)	72,978

Table A.17 continued

Source of Startup Capital	Latino-owned firms	Non-Latino-owned firms	Total
bank or financial institution			
Business loan from a bank or financial institution	25,604 (8.8%)	664,534 (12.7%)	690,138
Business loan from family or friends	8,847 (3.0%)	183,052 (3.5%)	191,899
Venture capital	1,014 (0.3%)	18,178 (0.3%)	19,192
Grant	393 (0.1%)	7,055 (0.1%)	7,448
Other	7,431 (2.5%)	117,474 (2.2%)	124,905
Don't know	13,602 (4.7%)	343,930 (6.6%)	357,532
None needed	12,106 (4.1%)	307,050 (5.9%)	319,156
Total	291,724	5,238,998	
$\chi^2 = 12{,}169$; df = 13; $p < 2.2 * e^{-16}$			

A.1.16 Negative Impacts on Business

Table A.0.18: Negative Impacts of Selected Circumstances on Business (2014 ASE data)

Circumstance	Ethnic self-identification of owner	Negative impact?	Number of respondents	Percentage of total respondents
Access to financial capital	Latino	Yes	34,486	17.5%
		No	162,580	82.4%
	Non-Latino	Yes	375,029	10.5%
		No	3,182,668	89.3%
Cost of financial capital	Latino	Yes	31,186	15.8%
		No	165,756	84.0%
	Non-Latino	Yes	397,375	11.2%
		No	3,158,647	88.7%
Finding qualified labor	Latino	Yes	52,940	26.8%
		No	143,945	73.0%
	Non-Latino	Yes	978,541	27.5%
		No	2,578,353	72.4%
Taxes	Latino	Yes	90,007	45.6%
		No	106,911	54.2%
	Non-Latino	Yes	1,771,566	49.7%
		No	1,785,646	50.1%
Slow business or lost sales	Latino	Yes	96,027	48.7%
		No	101,017	51.2%

Table A.18 continued

Circumstance	Ethnic self-identification of owner	Negative impact?	Number of respondents	Percentage of total respondents
	Non-Latino	Yes	1,564,280	43.9%
		No	1,993,867	56.0%
Late or no payment from customers	Latino	Yes	67,009	34.0%
		No	129,966	65.9%
	Non-Latino	Yes	1,086,550	30.5%
		No	2,468,597	69.3%
Unpredictability of business conditions	Latino	Yes	85,013	43.1%
		No	111,981	56.8%
	Non-Latino	Yes	1,578,765	44.3%
		No	1,978,328	55.5%
Changes or updates in technology	Latino	Yes	29,563	15.0%
		No	167,116	84.7%
	Non-Latino	Yes	568,687	16.0%
		No	2,987,680	83.9%
Other	Latino	Yes	7,590	3.8%
		No	94,655	48.0%
	Non-Latino	Yes	157,805	4.4%
		No	1,596,435	44.8%
Total reporting	Latino		197,290	100.0%
	Non-Latino		3,562,283	100.0%
Not reporting	Latino		2,436	N/A
	Non-Latino		36,807	N/A
χ^2 (for negative impacts) = 13,148; df = 9; $p < 2.2 * e^{-16}$				

A.1.17 Attempts to Acquire More Capital

Table A.19: Attempts to Establish New Funding Relationships in 2014 and the Outcomes by Ethnicity of Owner, 2014 ASE (author's calculations)

Type of Relationship	Outcome	Ethnic Self-Identification of Owner	Number of Firms	Percentage of Total
Other owner(s)	Received total amount requested	Latino	2,490	1.3%
		Non-Latino	28,323	0.8%
	Did not receive total amount requested	Latino	1,595	0.8%
		Non-Latino	16,236	0.5%
	Did not attempt to establish this relationship in the previous year	Latino	192,084	97.3%
		Non-Latino	3,506,020	98.3%
	Received total amount requested	Latino	5,326	2.7%

Table A.19 continued

Family, friends, or employees		Non-Latino	64,226	1.8%
	Did not receive total amount requested	Latino	2,640	1.3%
		Non-Latino	26,944	0.8%
	Did not attempt to establish this relationship in the previous year	Latino	189,015	95.7%
		Non-Latino	3,468,814	97.3%
Banks, credit unions, or other financial institutions	Received total amount requested	Latino	17,403	8.8%
		Non-Latino	345,366	9.7%
	Did not receive total amount requested	Latino	11,255	5.7%
		Non-Latino	119,135	3.3%
	Did not attempt to establish this relationship in the previous year	Latino	168,549	85.4%
		Non-Latino	3,097,309	86.9%
Home equity loans in the name of the business owner	Received total amount requested	Latino	3,045	1.5%
		Non-Latino	55,505	1.6%
	Did not receive total amount requested	Latino	2,079	1.1%
		Non-Latino	24,639	0.7%
	Did not attempt to establish this relationship in the previous year	Latino	191,880	97.2%
		Non-Latino	3,479,529	97.6%
Credit cards	Received total amount requested	Latino	23,003	11.7%
		Non-Latino	298,573	8.4%
	Did not receive total amount requested	Latino	7,838	4.0%
		Non-Latino	65,907	1.8%
	Did not attempt to establish this relationship in the previous year	Latino	166,151	84.2%
		Non-Latino	3,195,911	89.6%
Trade credit	Received total amount requested	Latino	5,264	2.7%
		Non-Latino	84,633	2.4%
	Did not receive total amount requested	Latino	2,029	1.0%
		Non-Latino	18,358	0.5%
	Did not attempt to establish this relationship in the previous year	Latino	189,727	96.1%
		Non-Latino	3,456,326	96.9%
Angel investors	Received total amount requested	Latino	808	0.4%
		Non-Latino	7,574	0.2%
	Did not receive total amount requested	Latino	510	0.3%
		Non-Latino	9,868	0.3%
	Did not attempt to establish this relationship in the previous year	Latino	195,590	99.1%
		Non-Latino	3,541,517	99.3%
Venture capital	Received total amount requested	Latino	467	0.2%
		Non-Latino	6,534	0.2%
	Did not receive total amount requested	Latino	708	0.4%
		Non-Latino	9,529	0.3%
		Latino	195,548	99.0%

Table A.19 continued

	Did not attempt to establish this relationship in the previous year	Non-Latino	3,541,684	99.3%
Other investor businesses	Received total amount requested	Latino	930	0.5%
		Non-Latino	9,750	0.3%
	Did not receive total amount requested	Latino	656	0.3%
		Non-Latino	11,162	0.3%
	Did not attempt to establish this relationship in the previous year	Latino	192,852	97.7%
		Non-Latino	3,502,267	98.2%
Crowdfunding platform	Received total amount requested	Latino	382	0.2%
		Non-Latino	4,724	0.1%
	Did not receive total amount requested	Latino	439	0.2%
		Non-Latino	5,076	0.1%
	Did not attempt to establish this relationship in the previous year	Latino	196,030	99.3%
		Non-Latino	3,548,818	99.5%
Grants	Received total amount requested	Latino	639	0.3%
		Non-Latino	8,697	0.2%
	Did not receive total amount requested	Latino	728	0.4%
		Non-Latino	9,332	0.3%
	Did not attempt to establish this relationship in the previous year	Latino	195,633	99.1%
		Non-Latino	3,541,668	99.3%
Other	Received total amount requested	Latino	988	0.5%
		Non-Latino	12,772	0.4%
	Did not receive total amount requested	Latino	365	0.2%
		Non-Latino	5,344	0.1%
	Did not attempt to establish this relationship in the previous year	Latino	124,600	63.1%
		Non-Latino	2,156,269	60.5%
Total reporting		Latino	197,434	100.0%
		Non-Latino	3,565,976	100.0%
Not reported		Latino	2,293	
		Non-Latino	33,114	
$\chi^2 = 15{,}846$; df = 37; $p < 2.2 * e^{-16}$				

A.1.18 Profitability

Table A.20: Profitability of Business in 2014 by Ethnicity of Owner, 2014 ASE (author's calculation)

Did Firm Make a Profit in 2014?	**Latino-owned firms**	**Non-Latino-owned firms**	**Total**
Yes	113,854 (57.7%)	2,247,519 (63.0%)	2,361,373
No, broke even	43,143 (21.9%)	628,636 (17.6%)	671,779
No, lost money	40,435 (20.5%)	688,574 (19.3%)	699,009
Total	197,432	3,564,729	

Table A.20 continued

$\chi^2 = 2{,}587.2$; df = 2; $p < 2.2 * e^{-16}$

A.1.19 Current Operations

Table A.21: Current Operating Status of Business by Ethnic Self-Identification of Owner (2014 ASE data)

Is Business Currently Operating?	**Latino-owned firms**	**Non-Latino-owned firms**	**Total**
Yes	184,291 (93.9%)	3,304,593 (93.0%)	3,488,884
No	11,985 (6.1%)	250,534 (7.0%)	262,519
Total	196,276	3,555,127	
$\chi^2 = 251.99$; df = 1; $p < 2.2 * e^{-16}$			

A.1.20 Reason Business Ceased Operations

Table A.22: Reason Given for Ceasing Business Operations by Ethnicity of Owner, 2014 ASE (author's calculations)

Reason Business Ceased Operations	**Latino-owned firms**	**Non-Latino-owned firms**	**Total**
Owner(s) deployed to military	0 (0.0%)	80 (0.0%)	80
Injury or illness to owner(s)	692 (4.5%)	13,219 (4.3%)	13,911
Retirement of owner(s)	1,474 (9.6%)	55,260 (18.0%)	56,734
Death of owner(s)	174 (1.1%)	7,905 (2.6%)	8,079
Business was for a one-time event	248 (1.6%)	3,559 (1.2%)	3,807
Inadequate cash flow or sales	4,023 (26.2%)	71,231 (23.2%)	75,254
Lack of business loans or credit	1,003 (6.5%)	9,731 (3.2%)	10,734
Lack of personal loans or credit	729 (4.8%)	5,483 (1.8%)	6,212
Owner(s) started another business	1,342 (8.7%)	17,390 (5.7%)	18,732
Owner(s) sold the business	1,477 (9.6%)	51,888 (16.9%)	53,365
Other	4,178 (27.2%)	71,206 (23.2%)	75,384
Total	15,340	306,952	
$\chi^2 = 2{,}766.5$; df = 10; $p < 2.2 * e^{-16}$			

A.1.21 Future of the Business

Table A.23: Owner's Hopes for Firm in Five Years by Ethnicity of Owner, 2014 ASE (author's calculations)

Where Do You See the Business Being in Five Years? (in terms of sales or profits)	**Latino-owned firms**	**Non-Latino-owned firms**	**Total**
Smaller	5,978 (3.0%)	117,656 (3.3%)	123,634
About the same	36,452 (18.3%)	766,430 (21.4%)	802,882
Larger	139,994 (70.5%)	2,258,092 (63.1%)	2,398,086
Other	16,238 (8.2%)	437,279 (12.2%)	453,517
Total	198,662	3,579,457	
$\chi^2 = 5{,}054.6$; df = 3; $p < 2.2 * e^{-16}$			

A.2 Comparing Metropolitan Areas by SBO Data

Table A.24: Highest-Ranked MSAs in Selected Categories of 2002 and 2012 SBO data (author's calculations)

Largest number of Latino-owned firms, 2002	Los Angeles-Long Beach-Santa Ana, CA	218,530 firms
	Miami-Fort Lauderdale-Miami Beach, FL	206,047
	New York-Newark-Edison, NY-NJ-PA	201,129
	Houston-Baytown-Sugar Land, TX	75,165
	Riverside-San Bernardino-Ontario, CA	48,756
	Dallas-Fort Worth-Arlington, TX	44,211
	Chicago-Naperville-Joliet, IL-IN-WI	38,623
	San Antonio, TX	37,745
	McAllen-Edinburg-Pharr, TX	34,494
	San Diego-Carlsbad-San Marcos, CA	32,761
Largest number of Latino-owned firms, 2012	Miami-Fort Lauderdale-Miami Beach, FL	423,163 firms
	Los Angeles-Long Beach-Santa Ana, CA	393,051
	New York-Newark-Edison, NY-NJ-PA	339,415
	Houston-Baytown-Sugar Land, TX	164,923
	Riverside-San Bernardino-Ontario, CA	122,233
	Dallas-Fort Worth-Arlington, TX	117,582
	Chicago-Naperville-Joliet, IL-IN-WI	89,523
	San Antonio, TX	81,126
	McAllen-Edinburg-Pharr, TX	71,377
	Washington-Arlington-Alexandria, DC-VA-MD-WV	65,997
Largest number of	Miami-Fort Lauderdale-Miami Beach, FL	235,261 employees

Table A.24 continued

employees of Latino-owned firms, 2012	Los Angeles-Long Beach-Santa Ana, CA	225,293
	New York-Newark-Edison, NY-NJ-PA	142,914
	Houston-Baytown-Sugar Land, TX	105,700
	Chicago-Naperville-Joliet, IL-IN-WI	85,312
	San Antonio, TX	77,624
Highest percentage of Latino-owned firms in the MSA that are employer firms, 2012	Madison, WI	20.5%
	Kennewick-Richland-Pasco, WA	18.2%
	Savannah, GA	17.6%
	Flagstaff, AZ	17.6%
	Portland-Vancouver-Beaverton, OR-WA	17.1%
	Albany-Schenectady-Troy, NY	16.8%
Smallest percentage of Latino-owned firms that were employer firms, 2012	Reading, PA	3.5%
	Fayetteville, NC	3.7%
	Allentown-Bethlehem-Easton, PA-NJ	5.1%
	Providence-New Bedford-Fall River, RI-MA	5.4%
	Houston-Baytown-Sugar Land, TX	5.5%
	Dalton, GA	5.7%
	Dallas-Fort Worth-Arlington, TX	5.8%
	Riverside-San Bernardino-Ontario, CA	6.0%
	Toledo, OH	6.1%
	Midland, TX	6.6%
Greatest percentage change in number of Latino-owned firms, 2002–12	Hickory-Morganton-Lenoir, NC	702.9%
	Reading, PA	540.3%
	Cape Coral-Fort Myers, FL	498.1%
	Greenville, SC	488.2%
	Fayetteville-Springdale-Rogers, AR-MO	384.1%
	Savannah, GA	366.3%
	Greensboro-High Point, NC	364.1%
	Memphis, TN-MS-AR	341.2%
	Charlotte-Gastonia-Concord, NC-SC	337.0%
	Allentown-Bethlehem-Easton, PA-NJ	320.2%
Greatest decrease in number of employees of Latino-owned	Mount Vernon-Anacortes, WA	-76.3%
	San Francisco-Oakland-Fremont, CA	-47.6%
	Vallejo-Fairfield, CA	-45.3%

Table A.24 continued

firms, 2002–12	Idaho Falls, ID	-31.4%
	Pueblo, CO	-28.8%
	Honolulu, HI	-26.4%
	Augusta-Richmond County, GA-SC	-21.5%
	Virginia Beach-Norfolk-Newport News, VA-NC	-20.7%
	Barnstable Town, MA	-16.2%
	Las Cruces, NM	-15.1%
Greatest decrease in sales and receipts of Latino-owned firms, 2002–12	Vallejo-Fairfield, CA	-41.7%
	South Bend-Mishawaka, IN-MI	-32.8%
	Greeley, CO	-30.3%
	Mount Vernon-Anacortes, WA	-26.8%
	Palm Bay-Melbourne-Titusville, FL	-21.6%
	Denver-Aurora, CO	-13.8%
	Barnstable Town, MA	-4.3%
	Detroit-Warren-Livonia, MI	-2.5%
	Albuquerque, NM	-0.7%

A.3 Gateway Classification of Metropolitan Statistical Areas

Table A.25: 104 Metropolitan Areas Classified by Gateway Status (reproduced from Singer, 2015)

Type of gateway	**Description**	**Metropolitan areas included**
Former gateway	Higher share of immigrant population than the national average, 1900–30; lower share than the national average in every decade since.	Buffalo-Niagara Falls, NY Cleveland-Elyria-Mentor, OH Detroit-Warren-Livonia, MI Milwaukee-Waukesha-West Allis, WI Pittsburgh, PA Providence-New Bedford-Fall River, RI-MA St. Louis, MO-IL
Major-continuous	"The quintessential immigrant destinations", with share of immigrant population higher than the national average for every decade of the 20th century.	Boston-Cambridge-Quincy, MA-NH Chicago-Joliet-Naperville, IL-IN-WI New York-Northern New Jersey-Long Island, NY-NJ-PA San Francisco-Oakland-Fremont, CA
Minor-continuous	Long histories of immigrant settlement, including 1900–	Bakersfield-Delano, CA Bridgeport-Stamford-Norwalk, CT El Paso, TX

Table A.25 continued

	50, but smaller than the major-continuous gateways.	Fresno, CA Hartford-West Hartford-East Hartford, CT Honolulu, HI McAllen-Edinburg-Mission, TX Modesto, CA New Haven-Milford, CT Oxnard-Thousand Oaks-Ventura, CA Rochester, NY San Antonio-New Braunfels, TX Stockton, CA Tucson, AZ Worcester, MA
Post-World War II	Small immigrant populations until the 1950s, followed by rapid growth.	Dallas-Fort Worth-Arlington, TX Houston-Sugar Land-Baytown, TX Los Angeles-Long Beach-Santa Ana, CA Miami-Fort Lauderdale-Pompano Beach, FL Riverside-San Bernardino-Ontario, CA San Diego-Carlsbad-San Marcos, CA Washington-Arlington-Alexandria, DC-VA-MD-WV
Re-emerging	Similar to former gateways in early 20th century, now seeing renewed immigrant settlement in 21st century.	Baltimore-Towson, MD Denver-Aurora-Broomfield, CO Minneapolis-St. Paul-Bloomington, MN-WI Orlando-Kissimmee-Sanford, FL Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Portland-Vancouver-Hillsboro, OR-WA Sacramento-Arden-Arcade--Roseville, CA San Jose-Sunnyvale-Santa Clara, CA Seattle-Tacoma-Bellevue, WA Tampa-St. Petersburg-Clearwater, FL
Major-emerging	Small immigrant populations until 1990; immigrant population share exceeding national average in every decade since.	Atlanta-Sandy Springs-Marietta, GA Austin-Round Rock-San Marcos, TX Charlotte-Gastonia-Rock Hill, NC-SC Las Vegas-Paradise, NV Phoenix-Mesa-Glendale, AZ
Minor-emerging	Immigrant growth at least three times the national rate in 1990s or 2000–14, with little prior history of immigrant settlement.	Cape Coral-Fort Myers, FL Columbus, OH Durham-Chapel Hill, NC Greensboro-High Point, NC Indianapolis-Carmel, IN Lakeland-Winter Haven, FL Nashville-Davidson--Murfreesboro--Franklin, TN

Table A.25 continued

		Raleigh-Cary, NC Salt Lake City, UT
Low-immigration metropolitan area	Meet none of the above criteria and their share of immigrant population is lower than the national average.	Akron, OH Albany-Schenectady-Troy, NY Albuquerque, NM Allentown-Bethlehem-Easton, PA-NJ Augusta-Richmond County, GA-SC Baton Rouge, LA Birmingham-Hoover, AL Boise City-Nampa, ID Charleston-North Charleston-Summerville, SC Chattanooga, TN-GA Cincinnati-Middletown, OH-KY-IN Colorado Springs, CO Columbia, SC Dayton, OH Deltona-Daytona Beach-Ormond Beach, FL Des Moines-West Des Moines, IA Grand Rapids-Wyoming, MI Greenville-Mauldin-Easley, SC Harrisburg-Carlisle, PA Jackson, MS Jacksonville, FL Kansas City, MO-KS Knoxville, TN Lancaster, PA Little Rock-North Little Rock-Conway, AR Louisville/Jefferson County, KY-IN Madison, WI Memphis, TN-MS-AR New Orleans-Metairie-Kenner, LA North Port-Bradenton-Sarasota, FL Ogden-Clearfield, UT Oklahoma City, OK Omaha-Council Bluffs, NE-IA Palm Bay-Melbourne-Titusville, FL Portland-South Portland-Biddeford, ME Provo-Orem, UT Richmond, VA Scranton--Wilkes-Barre, PA Spokane, WA Springfield, MA Syracuse, NY

Table A.25 continued

		Toledo, OH Tulsa, OK Virginia Beach-Norfolk-Newport News, VA-NC Wichita, KS Winston-Salem, NC Youngstown-Warren-Boardman, OH-PA

A.4 Tables Created in Calculating Regression Comparing Gateways

Table A.26: Legislative Welcoming/Hostility Scores from Monogan (2013) and Dummy Variable Calculation

MSA	State	Monogan state score	Dummy variable
Phoenix	AZ	-1.05	0
Tucson	AZ	-1.05	0
Bakersfield	CA	1.41	1
Fresno	CA	1.41	1
Los Angeles	CA	1.41	1
Modesto	CA	1.41	1
Oxnard	CA	1.41	1
Riverside	CA	1.41	1
Sacramento	CA	1.41	1
San Diego	CA	1.41	1
San Francisco	CA	1.41	1
San Jose	CA	1.41	1
Stockton	CA	1.41	1
Denver	CO	-0.14	0
Bridgeport	CT	1.98	1
Hartford	CT	1.98	1
New Haven	CT	1.98	1
Cape Coral	FL	0.37	1
Lakeland, FL	FL	0.37	1
Miami	FL	0.37	1
Orlando	FL	0.37	1
Tampa-St. Petersburg	FL	0.37	1
Atlanta	GA	-0.25	0
Honolulu	HI	0.81	1
Chicago	IL	0.97	1
Indianapolis	IN	-0.2	0
Boston	MA	0.41	1
Worcester	MA	0.41	1
Baltimore	MD	0.98	1

Table A.26 continued

MSA	State	Monogan state score	Dummy variable
Detroit	MI	0.55	1
Minneapolis	MN	-0.05	0
St. Louis	MO	-0.31	0
Charlotte	NC	-0.61	0
Durham-Chapel Hill	NC	-0.61	0
Greensboro, NC	NC	-0.61	0
Raleigh	NC	-0.61	0
Las Vegas	NV	0.26	0
Buffalo	NY	1.05	1
New York	NY	1.05	1
Rochester	NY	1.05	1
Cleveland	OH	0.79	1
Columbus	OH	0.79	1
Portland, OR	OR	-0.45	0
Philadelphia	PA	1.24	1
Pittsburgh	PA	1.24	1
Providence	RI	1.51	1
Nashville	TN	-0.66	0
Austin	TX	0.98	1
Dallas-Fort Worth	TX	0.98	1
El Paso	TX	0.98	1
Houston	TX	0.98	1
McAllen	TX	0.98	1
San Antonio	TX	0.98	1
Salt Lake City	UT	-0.59	0
Washington, DC	VA	0	0
Seattle	WA	1.41	1
Milwaukee	WI	0.98	1
Mean score		0.2788	
Median score		0.2694	

Table A.27: Calculating Dummy Variable for CDFI Presence in Gateway MSAs (author's calculations from 2014 5-year ACS data and Department of the Treasury data)

MSA	Unique CDFIs Lending to Latinos, 2010–14	Total Latino Workforce (2014 5-year ACS)	CDFIs per Worker	Dummy Mean	Dummy Median
Atlanta	3	569,206	5.2705E-06	0	0
Austin	5	594,369	8.41228E-06	0	1
Bakersfield	0	431,960	0	0	0
Baltimore	1	134,919	7.41185E-06	0	1
Boston	8	454,685	1.75946E-05	1	1

Table A.27 continued

Bridgeport	2	166,920	1.19818E-05	0	1
Buffalo	0	49,634	0	0	0
Cape Coral	0	122,820	0	0	0
Charlotte	1	214,691	4.65786E-06	0	0
Chicago	16	2,017,414	7.93095E-06	0	1
Cleveland	0	103,722	0	0	0
Columbus, OH	2	70,832	2.82358E-05	1	1
Dallas-Fort Worth	2	1,848,167	1.08215E-06	0	0
Denver	3	611,525	4.90577E-06	0	0
Detroit	2	172,718	1.15796E-05	0	1
Durham-Chapel Hill	5	24,818	0.000201467	1	1
El Paso	4	670,345	5.96708E-06	0	0
Fresno	1	485,983	2.05769E-06	0	0
Greensboro, NC	0	59,438	0	0	0
Hartford	2	161,082	1.2416E-05	0	1
Houston	0	2,214,,643	0	0	0
Indianapolis	1	118713	8.42368E-06	0	1
Lakeland	0	115,144	0	0	0
Las Vegas	0	596,821	0	0	0
Los Angeles	13	5,852,020	2.22146E-06	0	0
McAllen	2	732,967	2.72864E-06	0	0
Miami	4	2,429,853	1.64619E-06	0	0
Milwaukee	8	154,552	5.17625E-05	1	1
Minneapolis-St. Paul	14	185,729	7.53786E-05	1	1
Modesto	0	224,905	0	0	0
Nashville	3	124,197	2.41552E-05	1	1
New Haven	1	137,949	7.24906E-06	0	1
New York	35	4,619,351	7.57682E-06	0	1
Orlando	1	594,373	1.68245E-06	0	0
Oxnard	0	344,554	0	0	0
Philadelphia	8	509,364	1.57059E-05	1	1
Phoenix	4	1,291,080	3.09818E-06	0	0
Pittsburgh	1	34,128	2.93015E-05	1	1
Portland, OR	6	262,105	2.28916E-05	1	1
Providence	3	174,823	1.71602E-05	1	1
Raleigh	1	123,829	8.07565E-06	0	1
Riverside	0	2,104,710	0	0	0
Rochester	3	69,912	4.29111E-05	1	1
Sacramento	2	453,209	4.41298E-06	0	0
St. Louis	3	78,212	3.83573E-05	1	1
Salt Lake City	2	192,627	1.03828E-05	0	1

Table A.27 continued

San Antonio	2	1,235,005	1.61943E-06	0	0
San Diego	2	1,040,234	1.92264E-06	0	0
San Francisco	4	974,579	4.10434E-06	0	0
San Jose	3	492,078	6.09659E-06	0	1
Seattle	4	332,039	1.20468E-05	0	1
Stockton	0	278,364	0	0	0
Tampa-St. Petersburg	0	485,566	0	0	0
Tucson	1	351,515	2.84483E-06	0	0
(Urban) Honolulu	6	86,640	6.92521E-05	1	1
Washington, DC	9	844,390	1.06586E-05	0	1
Worcester, MA	1	89,723	1.11454E-05	0	1
		mean	1.44874E-05		
		median	6.03184E-06		

Table A.28: Data Used to Calculate Regression Comparing Gateways, Part 1 (Dependent Variable)

MSA	HIST_DUM	SE_NOT_LAT	SE_MX	SE_PR	SE_CUB	SE_OTHR	WAGE_NOT_LAT	WAGE_MX	WAGE_PR	WAGE_CUB	WAGE_OTHR
Atlanta	0	278,491	18,067	2,115	1,170	11,981	2,564,122	143,190	23,626	10,600	83,858
Austin	0	752,811	22,727	307	520	4,306	96,704	253,824	6,929	4,470	40,730
Bakersfield	1	23,897	11,180	80	4	1,782	204,482	177,695	2,056	496	13,158
Baltimore	1	120,534	1,455	567	98	3,343	1,461,637	19,998	11,765	2,402	39,554
Boston	1	258,941	1,016	2,230	660	11,454	2,521,492	17,641	56,429	6,159	159,217
Bridgeport	1	62,541	1,284	1,599	141	8,693	403,390	8,891	28,286	1,473	22
Buffalo	1	43,308	121	532	37	272	607,406	2,942	14,477	856	4,740
Cape Coral	0	39,805	1,080	828	1,572	2,238	244,961	17,081	13,040	10,595	18,329
Charlotte	0	107,874	3,851	864	588	4,538	1,128,632	49,124	9,222	3,032	42,964
Chicago	1	405,229	36,037	3,320	1,008	10,017	4,120,314	797,324	98,917	10,699	103,549
Cleveland	1	92,227	666	1,132	89	438	1,081,914	12,917	28,278	1,088	8,371
Columbus	0	85,363	881	206	45	453	1,015,021	20,308	4,636	739	10,631
Dallas-Fort Worth	1	277,569	60,320	1,511	869	13,049	2,652,628	731,360	21,360	7,309	117,946
Denver	1	157,544	15,749	567	431	4,843	1,227,897	236,015	6,086	2,505	60,607
Detroit	1	193,368	2,842	466	170	1,132	2,113,062	58,344	8,554	1,738	13,406
Durham-Chapel Hill	0	9,770	616	57	4	193	97,350	6,663	1,021	224	4,848
El Paso	1	7,942	23,374	128	527	1,007	82,874	289,984	3,900	608	9,073
Fresno	1	28,364	12,974	166	17	1,095	225,412	203,450	1,872	402	12,471
Greensboro, NC	0	36,758	1,136	116	77	269	386,794	17,660	2,574	643	6,113
Hartford	1	57,666	352	1,441	135	1,737	618,544	5,971	51,858	1,720	20,724
Honolulu	1	43,278	633	686	112	1,219	504,143	13,765	12,752	653	17,059
Houston	1	212,954	77,192	1,185	1,488	31,359	2,153,833	782,758	18,966	10,992	235,184
Indianapolis	0	83,605	2,913	161	18	1,355	992,899	40,764	3,381	1,036	11,427
Lakeland, FL	0	26,252	872	837	729	1,164	232,986	19,750	18,253	4,614	10,025
Las Vegas	0	72,318	14,493	633	997	4,319	782,567	219,757	9,898	12,169	54,655
Los Angeles	1	644,844	210,818	3,394	3,309	94,638	3,731,852	2,119,830	32,563	23,337	592,405
McAllen	1	4,889	43,643	20	66	1,100	30,715	277,287	790	346	7,363
Miami	1	249,081	9,467	8,876	80,907	102,194	1,627,794	64,190	113,249	496,922	515,599
Milwaukee	1	59,661	1,930	646	21	682	811,809	48,681	16,927	990	8,157
Minneapolis	1	185,776	3,019	348	93	1,715	1,877,128	63,705	5,395	1,394	24,594
Modesto	1	18,440	6,211	140	46	542	147,945	94,279	1,708	232	7,288
Nashville	0	106,743	3,019	336	283	1,591	926,865	36,140	3,697	2,363	16,948
New Haven	1	39,465	356	1,238	31	1,275	414,999	9,648	36,013	1,519	19,474
New York	1	922,829	28,648	27,244	6,556	134,758	8,030,088	294,085	584,341	74,179	1,343,145
Orlando	0	98,798	2,458	8,101	2,281	11,504	866,226	37,388	144,567	23,785	95,195
Oxnard	1	46,750	11,226	337	80	3,303	260,304	156,011	2,177	800	16,101
Philadelphia	1	262,690	3,258	4,530	635	4,822	3,065,155	51,209	114,849	7,377	67,904
Phoenix	0	184,171	39,914	511	203	4,927	1,605,647	496,253	12,147	5,117	51,187
Pittsburgh	1	101,098	371	263	51	547	1,286,709	6,536	4,273	663	6,401
Portland, OR	1	146,016	7,029	174	116	2,556	1,135,620	103,869	3,660	1,866	19,317
Providence	1	73,268	270	1,010	72	3,759	821,844	6,153	23,847	1,180	51,753
Raleigh	0	59,440	2,071	207	45	1,649	613,810	34,799	6,290	2,292	16,857
Riverside	1	137,717	68,924	1,704	730	11,950	1,092,180	817,671	15,362	5,010	105,976
Rochester	1	49,944	315	895	48	628	572,715	3,506	20,523	2,121	5,823
Sacramento	1	107,117	13,145	569	125	3,292	904,322	174,802	7,288	1,432	32,806
Salt Lake City	0	48,704	3,559	73	9	2,102	522,755	70,920	2,024	656	23,246
San Antonio	1	62,627	43,103	672	177	5,907	567,187	546,984	13,335	2,809	49,520
San Diego	1	149,196	42,444	504	305	4,606	1,156,909	423,748	12,215	3,025	41,300
San Francisco	1	273,068	33,685	1,276	449	21,379	1,920,822	330,597	16,570	4,178	145,170
San Jose	1	81,004	16,641	143	248	3,662	740,989	207,622	4,179	1,524	32,092
Seattle	1	202,003	9,164	680	239	3,596	1,849,822	117,109	10,168	2,572	37,483
St. Louis	1	127,996	1,642	129	95	618	1,501,872	25,756	3,350	1,381	9,695
Stockton	1	23,288	6,089	135	37	1,180	209,054	117,038	2,253	126	13,041
Tampa-St. Petersburg	1	140,353	3,053	4,480	6,121	7,493	1,209,061	45,880	75,467	47,354	69,276
Tucson	1	39,953	15,894	280	41	818	340,865	148,162	3,558	1,084	13,388
Washington, DC	1	259,536	5,254	1,710	811	37,718	2,917,525	70,021	30,962	10,350	362,416
Worcester	1	42,143	116	484	26	1,026	457,578	3,416	22,405	598	15,962

Table A.29: Raw Data Used to Calculate Gateway Regression, Part 2 (Dependent Variable and PCT_SE_NOT_LAT)

MSA	NOWRK_NOT_LAT	NOWRK_MX	NOWRK_PR	NOWRK_CUB	NOWRK_OTHR	TOT_LAT	TOT_NOT_LAT	PCT_SE_LAT	PCT_SE_NOT_LAT
Atlanta	1,962,318	170,780	21,920	8,978	72,921	569,206	4,804,931	5.86%	5.80%
Austin	444,525	222,910	4,649	2,540	30,457	594,369	1,294,040	4.69%	58.18%
Bakersfield	196,722	209,184	1,862	357	14,106	431,960	425,101	3.02%	5.62%
Baltimore	988,078	18,113	9,820	1,540	26,264	134,919	2,570,249	4.05%	4.69%
Boston	1,511,462	11,049	63,823	4,742	120,265	454,685	4,291,895	3.38%	6.03%
Bridgeport	301,589	8,639	26,318	1,891	31,706	118,943	767,520	9.85%	8.15%
Buffalo	434,726	2,606	19,034	289	3,728	49,634	1,085,440	1.94%	3.99%
Cape Coral	239,962	15,760	14,614	10,898	16,785	122,820	524,728	4.66%	7.59%
Charlotte	829,570	52,723	9,272	2,689	35,824	214,691	2,066,076	4.58%	5.22%
Chicago	2,940,658	774,032	93,713	9,892	78,906	2,017,414	7,466,201	2.50%	5.43%
Cleveland	790,661	12,699	30,153	1,057	6,834	103,722	1,964,802	2.24%	4.69%
Columbus	675,722	20,149	3,569	514	8,701	70,832	1,776,106	2.24%	4.81%
Dallas-Fort Worth	1,817,131	782,537	16,508	4,405	90,993	1,848,167	4,747,328	4.10%	5.85%
Denver	711,884	235,791	4,485	1,349	43,097	611,525	2,097,325	3.53%	7.51%
Detroit	1,760,358	61,994	11,603	1,596	10,873	172,718	4,066,788	2.67%	4.75%
Durham-Chapel Hill	60,006	7,989	625	73	2,505	24,818	167,126	3.51%	5.85%
El Paso	62,351	328,083	4,229	527	8,905	670,345	153,167	3.73%	5.19%
Fresno	208,613	239,744	2,475	403	10,914	485,983	462,389	2.93%	6.13%
Greensboro, NC	304,623	23,422	2,671	488	4,269	59,438	728,175	2.69%	5.05%
Hartford	378,168	4,410	58,642	1,250	12,842	161,082	1,054,378	2.28%	5.47%
Honolulu	341,460	11,182	13,999	567	14,013	86,640	888,881	3.06%	4.87%
Houston	1,567,134	845,738	14,131	8,171	187,479	2,214,643	3,933,921	5.02%	5.41%
Indianapolis	713,812	42,936	2,630	986	11,106	118,713	1,790,316	3.75%	4.67%
Lakeland, FL	242,944	24,466	20,639	4,928	8,867	115,144	502,182	3.13%	5.23%
Las Vegas	551,332	220,209	9,434	10,289	39,968	596,821	1,406,217	3.43%	5.14%
Los Angeles	2,834,688	2,242,501	25,847	22,131	481,247	5,852,020	7,211,384	5.33%	8.94%
McAllen	37,710	393,962	908	151	7,331	732,967	73,314	6.12%	6.67%
Miami	1,431,793	63,461	97,278	471,151	406,559	2,429,853	3,308,668	8.29%	7.53%
Milwaukee	539,768	46,235	21,686	1,126	7,471	154,552	1,411,238	2.12%	4.23%
Minneapolis	1,128,287	59,285	4,332	793	21,056	185,729	3,191,191	2.79%	5.82%
Modesto	131,605	107,331	1,373	126	5,629	224,905	297,990	3.09%	6.19%
Nashville	650,510	42,413	3,553	1,517	12,337	124,197	1,684,118	4.21%	6.34%
New Haven	270,281	6,826	46,317	828	14,424	137,949	724,745	2.10%	5.45%
New York	6,236,976	286,960	648,791	62,853	1,127,791	4,619,351	15,189,893	4.27%	6.08%
Orlando	640,975	34,560	141,661	18,685	74,188	594,373	1,605,999	4.10%	6.15%
Oxnard	184,628	141,552	1,371	526	11,070	344,554	491,682	4.34%	9.51%
Philadelphia	2,207,504	50,569	145,531	5,478	53,202	509,364	5,535,349	2.60%	4.75%
Phoenix	1,267,019	623,113	11,985	3,688	42,035	1,291,080	3,056,837	3.53%	6.02%
Pittsburgh	890,386	5,806	4,159	310	4,748	34,128	2,278,193	3.61%	4.44%
Portland, OR	761,113	104,607	2,870	1,545	14,496	262,105	2,042,749	3.77%	7.15%
Providence	540,477	5,976	33,781	982	46,040	174,823	1,435,589	2.92%	5.10%
Raleigh	426,703	36,106	5,899	1,451	16,163	123,829	1,099,953	3.21%	5.40%
Riverside	1,008,691	958,212	15,261	6,202	97,708	2,104,710	2,238,588	3.96%	6.15%
Rochester	401,448	2,650	26,761	1,741	4,901	69,912	1,024,107	2.70%	4.88%
Sacramento	734,530	182,936	7,250	1,328	28,236	453,209	1,745,969	3.78%	6.14%
Salt Lake City	367,520	71,880	1,300	437	16,421	192,627	938,979	2.98%	5.19%
San Antonio	399,705	520,723	9,340	1,729	40,706	1,235,005	1,029,519	4.04%	6.08%
San Diego	839,430	466,185	9,055	2,729	34,118	1,040,234	2,145,535	4.60%	6.95%
San Francisco	1,295,090	298,181	12,776	3,682	106,636	974,579	3,488,980	5.83%	7.83%
San Jose	525,702	195,641	2,557	986	26,783	492,078	1,347,695	4.21%	6.01%
Seattle	1,172,716	115,928	8,460	1,358	25,282	332,039	3,224,541	4.12%	6.26%
St. Louis	1,080,935	25,256	2,040	694	7,556	78,212	2,710,803	3.18%	4.72%
Stockton	190,804	124,010	3,147	221	11,087	278,364	423,146	2.67%	5.50%
Tampa-St. Petersburg	1,015,749	49,639	80,761	43,267	52,775	485,566	2,365,163	4.36%	5.93%
Tucson	261,260	155,017	2,152	854	10,267	351,515	642,078	4.85%	6.22%
Washington, DC	1,735,860	54,272	22,760	6,787	241,329	844,390	4,912,921	5.39%	5.28%
Worcester	291,322	2,593	29,820	462	12,815	89,723	791,043	1.84%	5.33%

Table A.30: Raw Data Used to Calculate Gateway Regression, Part 3 (PCT_125POV and PCT_UNEM)

MSA	TOT_POP_POV	TOT_125POV	PCT_125POV	TOT_POP_UNEMP	TOT_UNEM	PCT_UNEM	PCT_LAT_LABOR	ANTI_DUM
Atlanta	5,362,258	1,092,401	20.37%	3,997,768	295,020	7.38%	10.59%	0
Austin	1,796,217	346,435	19.29%	1,364,995	66,934	4.90%	31.47%	1
Bakersfield	824,972	253,677	30.75%	572,889	47,636	8.32%	50.40%	1
Baltimore	2,685,026	376,805	14.03%	2,088,499	115,640	5.54%	4.99%	1
Boston	4,496,596	606,785	13.49%	3,623,979	196,890	5.43%	9.58%	1
Bridgeport	916,013	110,304	12.04%	700,100	45,974	6.57%	13.42%	1
Buffalo	1,105,152	205,348	18.58%	883,261	43,911	4.97%	4.37%	1
Cape Coral	637,614	138,362	21.70%	518,727	33,046	6.37%	18.97%	1
Charlotte	2,262,538	451,763	19.97%	1,705,294	123,264	7.23%	9.41%	0
Chicago	9,363,290	1,714,940	18.32%	7,114,338	503,309	7.07%	21.27%	1
Cleveland	2,026,451	402,987	19.89%	1,577,761	99,078	6.28%	5.01%	1
Columbus	1,896,601	362,931	19.14%	1,448,153	73,739	5.09%	3.84%	1
Dallas-Fort Worth	6,613,497	1,312,320	19.84%	4,825,344	255,322	5.29%	28.02%	1
Denver	2,618,375	419,791	16.03%	1,985,445	105,768	5.33%	22.58%	0
Detroit	4,250,482	902,190	21.23%	3,256,163	256,196	7.87%	4.07%	1
Durham-Chapel Hill	500,919	111,423	22.24%	404,203	22,631	5.60%	12.93%	0
El Paso	812,182	254,257	31.31%	561,238	30,233	5.39%	81.40%	1
Fresno	931,998	316,015	33.91%	660,061	59,482	9.01%	51.24%	1
Greensboro, NC	718,280	171,228	23.84%	561,030	37,408	6.67%	7.55%	0
Hartford	1,168,739	160,281	13.71%	932,659	58,704	6.29%	13.25%	1
Honolulu	944,550	122,818	13.00%	714,269	27,222	3.81%	8.88%	1
Houston	6,122,011	1,307,649	21.36%	4,455,040	233,088	5.23%	36.02%	1
Indianapolis	1,887,732	358,567	18.99%	1,411,633	84,374	5.98%	6.22%	0
Lakeland, FL	602,537	148,928	24.72%	465,251	31,636	6.80%	18.65%	1
Las Vegas	1,979,101	412,801	20.86%	1,492,471	120,783	8.09%	29.80%	0
Los Angeles	12,868,687	2,932,443	22.79%	9,899,913	688,118	6.95%	44.80%	1
McAllen	797,048	340,968	42.78%	524,880	32,587	6.21%	90.91%	1
Miami	5,697,923	1,318,946	23.15%	4,503,915	321,514	7.14%	42.34%	1
Milwaukee	1,535,820	301,218	19.61%	1,175,815	66,644	5.67%	9.87%	1
Minneapolis	3,367,361	464,731	13.80%	2,558,279	121,313	4.74%	5.50%	0
Modesto	516,698	137,426	26.60%	373,865	38,984	10.43%	43.01%	1
Nashville	1,691,272	320,674	18.96%	1,296,444	67,569	5.21%	6.87%	0
New Haven	836,739	136,115	16.27%	665,806	45,459	6.83%	15.99%	1
New York	19,514,260	3,580,070	18.35%	15,233,636	929,925	6.10%	23.32%	1
Orlando	2,185,714	476,854	21.82%	1,699,933	118,172	6.95%	27.01%	1
Oxnard	824,329	124,385	15.09%	620,642	39,135	6.31%	41.20%	1
Philadelphia	5,866,415	981,240	16.73%	4,571,672	295,397	6.46%	8.43%	1
Phoenix	4,260,900	944,327	22.16%	3,174,890	180,646	5.69%	29.69%	0
Pittsburgh	2,299,786	373,321	16.23%	1,867,780	86,125	4.61%	1.48%	1
Portland, OR	2,254,504	408,646	18.13%	1,746,141	112,898	6.47%	11.37%	0
Providence	1,547,987	276,787	17.88%	1,245,291	78,421	6.30%	10.86%	1
Raleigh	1,163,236	194,850	16.75%	873,641	48,548	5.56%	10.12%	0
Riverside	4,261,627	1,004,945	23.58%	3,082,531	272,869	8.85%	48.46%	1
Rochester	1,042,790	194,514	18.65%	831,403	41,374	4.98%	6.39%	1
Sacramento	2,161,829	450,439	20.84%	1,644,041	125,046	7.61%	20.61%	1
Salt Lake City	1,108,285	185,737	16.76%	788,617	38,486	4.88%	17.02%	0
San Antonio	2,193,994	482,400	21.99%	1,609,902	79,174	4.92%	54.54%	1
San Diego	3,102,463	597,270	19.25%	2,357,731	146,992	6.23%	32.65%	1
San Francisco	4,402,039	658,429	14.96%	3,507,298	207,116	5.91%	21.83%	1
San Jose	1,870,891	253,128	13.53%	1,439,337	88,388	6.14%	26.75%	1
Seattle	3,499,589	520,481	14.87%	2,713,738	150,758	5.56%	9.34%	1
St. Louis	2,741,015	467,365	17.05%	2,114,358	123,193	5.83%	2.80%	0
Stockton	686,706	172,191	25.07%	493,265	46,788	9.49%	39.68%	1
Tampa-St. Petersburg	2,805,897	578,896	20.63%	2,229,886	139,728	6.27%	17.03%	1
Tucson	967,318	239,340	24.74%	753,578	48,292	6.41%	35.38%	0
Washington, DC	5,758,974	633,124	10.99%	4,411,351	218,630	4.96%	14.67%	0
Worcester	894,426	132,720	14.84%	704,218	42,109	5.98%	10.19%	1

Table A.31: Raw Data Used to Calculate Gateway Regressions, Part 4 (PCT_PRO_IND and PCT_CONST_IND)

MSA	TOT_IND	CONST_IND	INFO_IND	FIRE_IND	PRO_IND	PCT_PRO_IND	PCT_CONST_IND
Atlanta	2,529,425	160,613	82,491	183,774	266,265	10.53%	6.35%
Austin	931,710	69,196	22,970	64,362	87,332	9.37%	7.43%
Bakersfield	321,221	19,571	3,329	12,543	15,872	4.94%	6.09%
Baltimore	1,360,481	83,837	28,573	91,484	120,057	8.82%	6.16%
Boston	2,412,001	123,110	62,270	199,325	261,595	10.85%	5.10%
Bridgeport	455,515	29,210	13,153	55,651	68,804	15.10%	6.41%
Buffalo	537,148	24,098	8,505	39,561	48,066	8.95%	4.49%
Cape Coral	253,789	22,052	4,400	17,572	21,972	8.66%	8.69%
Charlotte	1,074,528	70,549	23,885	104,177	128,062	11.92%	6.57%
Chicago	4,500,169	226,654	100,392	343,570	443,962	9.87%	5.04%
Cleveland	962,453	44,531	17,626	72,131	89,757	9.33%	4.63%
Columbus	954,180	47,395	21,317	90,454	111,771	11.71%	4.97%
Dallas-Fort Worth	3,239,278	234,970	81,632	286,771	368,403	11.37%	7.25%
Denver	1,359,828	99,626	50,119	110,301	160,420	11.80%	7.33%
Detroit	1,864,469	81,454	33,810	116,634	150,444	8.07%	4.37%
Durham-Chapel Hill	252,949	15,987	4,996	12,842	17,838	7.05%	6.32%
El Paso	321,472	20,144	6,672	16,146	22,818	7.10%	6.27%
Fresno	367,392	19,715	4,811	18,547	23,358	6.36%	5.37%
Greensboro, NC	332,492	18,226	5,792	21,544	27,336	8.22%	5.48%
Hartford	604,150	30,612	14,364	64,661	79,025	13.08%	5.07%
Honolulu	452,324	29,783	7,683	30,292	37,975	8.40%	6.58%
Houston	2,912,278	260,920	39,767	168,550	208,317	7.15%	8.96%
Indianapolis	914,855	52,283	16,514	62,862	79,376	8.68%	5.71%
Lakeland, FL	241,628	16,576	3,414	13,614	17,028	7.05%	6.86%
Las Vegas	903,785	52,877	15,577	53,497	69,074	7.64%	5.85%
Los Angeles	6,027,289	338,409	230,377	413,795	644,172	10.69%	5.61%
McAllen	291,917	23,913	3,810	11,637	15,447	5.29%	8.19%
Miami	2,637,873	170,275	58,628	205,226	263,854	10.00%	6.46%
Milwaukee	761,730	31,721	13,913	55,961	69,874	9.17%	4.16%
Minneapolis	1,808,192	86,304	37,221	155,916	193,137	10.68%	4.77%
Modesto	205,219	14,164	2,563	7,581	10,144	4.94%	6.90%
Nashville	840,212	53,888	23,305	58,845	82,150	9.78%	6.41%
New Haven	416,917	20,071	9,568	26,456	36,024	8.64%	4.81%
New York	9,370,220	521,468	312,736	867,004	1,179,740	12.59%	5.57%
Orlando	1,034,320	60,905	25,601	70,897	96,498	9.33%	5.89%
Oxnard	394,105	23,225	10,307	32,725	43,032	10.92%	5.89%
Philadelphia	2,828,888	147,584	58,524	233,997	292,521	10.34%	5.22%
Phoenix	1,900,116	125,989	36,559	178,105	214,664	11.30%	6.63%
Pittsburgh	1,132,393	63,988	20,690	80,940	101,630	8.97%	5.65%
Portland, OR	1,097,390	62,004	22,704	74,122	96,826	8.82%	5.65%
Providence	776,830	44,165	12,864	51,057	63,921	8.23%	5.69%
Raleigh	588,199	36,829	15,056	39,967	55,023	9.35%	6.26%
Riverside	1,707,944	130,429	26,032	88,100	114,132	6.68%	7.64%
Rochester	513,456	24,570	11,379	26,105	37,484	7.30%	4.79%
Sacramento	950,735	59,978	20,345	70,023	90,368	9.51%	6.31%
Salt Lake City	546,824	36,179	13,692	45,490	59,182	10.82%	6.62%
San Antonio	1,005,683	76,756	18,566	86,300	104,866	10.43%	7.63%
San Diego	1,421,325	79,839	32,394	92,523	124,917	8.79%	5.62%
San Francisco	2,222,606	115,266	78,187	173,464	251,651	11.32%	5.19%
San Jose	914,021	48,284	37,374	43,749	81,123	8.88%	5.28%
Seattle	1,766,203	99,951	52,065	105,739	157,804	8.93%	5.66%
St. Louis	1,339,420	75,478	28,290	106,930	135,220	10.10%	5.64%
Stockton	275,581	18,682	4,709	13,525	18,234	6.62%	6.78%
Tampa-St. Petersburg	1,249,152	75,573	29,798	119,364	149,162	11.94%	6.05%
Tucson	418,055	25,589	7,032	23,597	30,629	7.33%	6.12%
Washington, DC	3,090,548	193,258	89,117	188,902	278,019	9.00%	6.25%
Worcester	457,194	26,095	8,666	28,208	36,874	8.07%	5.71%

Table A.32: Raw Data Used to Calculate Gateway Regression, Part 5 (PCT_FB)

MSA	CDFI_MEAN_DUM	CDFI_MED_DUM	TOT_POP_FB	TOT_FB	PCT_FB
Atlanta	0	0	5,455,053	727,285	13.33%
Austin	0	1	1,835,016	269,646	14.69%
Bakersfield	0	0	857,730	175,262	20.43%
Baltimore	0	1	2,753,396	259,051	9.41%
Boston	1	1	4,650,876	794,041	17.07%
Bridgeport	0	1	934,215	191,275	20.47%
Buffalo	0	0	1,135,667	67,873	5.98%
Cape Coral	0	0	647,554	99,454	15.36%
Charlotte	0	0	2,298,915	211,636	9.21%
Chicago	0	1	9,516,448	1,679,627	17.65%
Cleveland	0	0	2,067,490	118,348	5.72%
Columbus	1	1	1,948,188	136,128	6.99%
Dallas-Fort Worth	0	0	6,703,020	1,170,629	17.46%
Denver	0	0	2,651,392	323,181	12.19%
Detroit	0	1	4,292,647	383,033	8.92%
Durham-Chapel Hill	1	1	525,050	63,672	12.13%
El Paso	0	0	827,206	214,493	25.93%
Fresno	0	0	948,844	206,325	21.74%
Greensboro, NC	0	0	735,777	62,258	8.46%
Hartford	0	1	1,215,159	155,291	12.78%
Honolulu	1	1	975,690	189,052	19.38%
Houston	0	0	6,204,141	1,394,516	22.48%
Indianapolis	0	1	1,931,182	119,849	6.21%
Lakeland, FL	0	0	617,323	62,198	10.08%
Las Vegas	0	0	2,003,613	436,457	21.78%
Los Angeles	0	0	13,060,534	4,420,863	33.85%
McAllen	0	0	806,447	233,400	28.94%
Miami	0	0	5,775,204	2,233,014	38.67%
Milwaukee	1	1	1,565,368	108,738	6.95%
Minneapolis	1	1	3,424,786	331,886	9.69%
Modesto	0	0	522,794	106,944	20.46%
Nashville	1	1	1,730,515	128,489	7.42%
New Haven	0	1	863,148	100,989	11.70%
New York	0	1	19,865,045	5,655,928	28.47%
Orlando	0	0	2,226,835	364,012	16.35%
Oxnard	0	0	835,790	190,562	22.80%
Philadelphia	1	1	6,015,336	597,654	9.94%
Phoenix	0	0	4,337,542	625,736	14.43%
Pittsburgh	1	1	2,358,793	81,362	3.45%
Portland, OR	1	1	2,288,796	285,904	12.49%
Providence	1	1	1,604,317	204,506	12.75%
Raleigh	0	1	1,189,579	139,633	11.74%
Riverside	0	0	4,345,485	941,363	21.66%
Rochester	1	1	1,082,578	71,927	6.64%
Sacramento	0	0	2,197,422	389,353	17.72%
Salt Lake City	0	1	1,123,643	133,639	11.89%
San Antonio	0	0	2,239,222	265,693	11.87%
San Diego	0	0	3,183,143	743,480	23.36%
San Francisco	0	0	4,466,251	1,336,045	29.91%
San Jose	0	1	1,898,457	700,049	36.87%
Seattle	0	1	3,557,037	608,584	17.11%
St. Louis	1	1	2,797,737	125,211	4.48%
Stockton	0	0	701,050	161,686	23.06%
Tampa-St. Petersburg	0	0	2,851,235	362,154	12.70%
Tucson	0	0	993,144	127,106	12.80%
Washington, DC	0	1	5,863,608	1,285,767	21.93%
Worcester	0	1	924,722	98,538	10.66%

References

Aaronson, D., Bostic, R. W., Huck, P., & Townsend, R. (2004). Supplier relationships and small business use of trade credit. *Journal of Urban Economics, 55*(1), 46-67. doi:10.1016/j.jue.2003.02.001

Abad, V., & Elboim, A. (2004). Latino Community Credit Union (Cooperativa Comunitaria Latina de Crédito): "Progress With Dignity". In. Durham, North Carolina: Center for the Advancement of Social Entrepreneurship, Fuqua School of Business, Duke University.

Abreo, C., Miller, W., Farmer, F., Moon, Z., & McCullough, S. (2014). Training Materials Developed for Latino Entrepreneurs. *Journal of Extension, 52*(4).

Agius Vallejo, J. (2009). Latina Spaces: Middle-Class Ethnic Capital and Professional Associations in the Latino Community. *City & Community, 8*(2), 129-154. doi:doi:10.1111/j.1540-6040.2009.01277.x

Agius Vallejo, J. (2015). Levelling the playing field: patterns of ethnic philanthropy among Los Angeles' middle- and upper-class Latino entrepreneurs. *Ethnic and Racial Studies, 38*(1), 125-140. doi:10.1080/01419870.2013.848288

Agius Vallejo, J., & Canizales, S. L. (2016). Latino/a professionals as entrepreneurs: how race, class, and gender shape entrepreneurial incorporation. *Ethnic and Racial Studies, 39*(9), 1637-1656. doi:10.1080/01419870.2015.1126329

Aguilera, M. B. (2009). Ethnic enclaves and the earnings of self-employed Latinos. *Small Business Economics, 33*(4), 413-425.

Aldrich, H. E., & Waldinger, R. (1990). Ethnicity and Entrepreneurship. *Annual Review of Sociology, 16*, 111-135.

Allaire, J., Xie, Y., McPherson, J., Luraschi, J., Ushey, K., Atkins, A., . . . Chang, W. (2018). rmarkdown: Dynamic Documents for R [R package]: R package version 1.10. Retrieved from https://cran.r-project.org/package=rmarkdown

Allen, R., & Busse, E. (2016). The social side of ethnic entrepreneur breakout: evidence from Latino immigrant business owners. *Ethnic and Racial Studies, 39*(4), 653-670. doi:10.1080/01419870.2015.1078481

American Immigration Council. (2017, March 15). Fact Sheet: The 287(g) Program: An Overview. Retrieved from https://www.americanimmigrationcouncil.org/research/287g-program-immigration

Bachmeier, J. D. (2013). Cumulative Causation, Coethnic Settlement Maturity and Mexican Immigration to U.S. Metropolitan Areas, 1995-2000. *Social Forces, 91*(4), 1293-1317.

Bailey, T., & Waldinger, R. (1991). Primary, Secondary, and Enclave Labor Markets: A Training Systems Approach. *American Sociological Review, 56*(4), 432-445. doi:10.2307/2096266

Bair, S. C. (2005). Improving the Access of Recent Latin American Migrants to the U.S. Banking System. In D. F. Terry & S. R. Wilson (Eds.), *Beyond Small Change: Making Migrant Remittances Count*. Washington, D.C.: Inter-American Bank.

Ballesteros, V. V. (2017). *The Impact of Culture on Hispanic Entrepreneurs as Mediated by Motivation, Challenge, and Success.* (Doctor of Business Administration), University of the Incarnate Word, San Antonio, Texas. Retrieved from https://athenaeum.uiw.edu/uiw_etds/319/

Bates, T. (1989). The changing nature of minority business: a comparative analysis of Asian, nonminority, and black-owned businesses. *The Review of Black Political Economy, 18*(2), 25-42.

Bates, T. (1990). Entrepreneur human capital inputs and small business longevity. *The review of Economics and Statistics*, 551-559.

Bates, T. (1997). Financing small business creation: The case of Chinese and Korean immigrant entrepreneurs. *Journal of Business Venturing, 12*(2), 109-124. doi:http://dx.doi.org/10.1016/S0883-9026(96)00054-7

Bates, T. (2000a). Financing the Development of Urban Minority Communities: Lessons of History. *Economic Development Quarterly, 14*(3), 227-242. doi:10.1177/089124240001400301

Bates, T. (2000b). Rejoinder to Sheryll Cashin: Programs as Token Gestures. *Economic Development Quarterly, 14*(3), 250-255. doi:10.1177/089124240001400303

Bates, T. (2005). Analysis of young, small firms that have closed: delineating successful from unsuccessful closures. *Journal of Business Venturing, 20*(3), 343-358. doi:10.1016/j.jbusvent.2004.01.003

Bates, T., Lofstrom, M., & Servon, L. J. (2011). Why Have Lending Programs Targeting Disadvantaged Small Business Borrowers Achieved So Little Success in the United States? *Economic Development Quarterly, 25*(3), 255-266. doi:10.1177/0891242411409206

Bates, T., & Robb, A. M. (2013). Greater Access to Capital Is Needed to Unleash the Local Economic Development Potential of Minority-Owned Businesses. *Economic Development Quarterly, 27*(3), 250-259. doi:10.1177/0891242413477188

Bates, T., & Robb, A. M. (2015). Impacts of Owner Race and Geographic Context on Access to Small-Business Financing. *Economic Development Quarterly*. doi:10.1177/0891242415620484

Beekman, D. (2016, November 10). What does it mean for Seattle to be a sanctuary city for immigrants? *The Seattle Times*. Retrieved from

https://www.seattletimes.com/seattle-news/politics/qa-whats-it-mean-for-seattle-to-be-a-sanctuary-city-for-immigrants/

Blanchard, L., Zhao, B., & Yinger, J. (2008). Do lenders discriminate against minority and woman entrepreneurs? *Journal of Urban Economics, 63*(2), 467-497.

Bohn, S., Lofstrom, M., & Raphael, S. (2015). Do E-verify mandates improve labor market outcomes of low-skilled native and legal immigrant workers? *Southern Economic Journal, 81*(4), 960-979. doi:10.1002/soej.12019

Boissevain, J., Blaschke, J., Grotenbreg, H., Joseph, I., Light, I., Sway, M., . . . Werbner, P. (1990). Ethnic Entrepreneurs and Ethnic Strategies. In R. Waldinger, H. E. Aldrich, & R. Ward (Eds.), *Ethnic Entrepreneurs* (pp. 131-156). Newbury Park, California: Sage Publications.

Bonacich, E. (1973). A Theory of Middleman Minorities. *American Sociological Review, 38*(5), 583-594. doi:10.2307/2094409

Bond, P., & Townsend, R. (1996). Formal and informal financing in a Chicago ethnic neighborhood. *Economic Perspectives, 20*(4), 3-27.

Borjas, G. J., Freeman, R. B., & Lang, K. (1991). Undocumented Mexican-born Workers in the United States: How Many, How Permanent? In J. M. Abowd & R. B. Freeman (Eds.), *Immigration, Trade, and the Labor Market*. Chicago: University of Chicago Press.

Bowles, J., & Colton, T. (2007). *A world of opportunity*: Center for an Urban Future.

Bradford, W. D. (2013). Minority Businesses in the U.S.: An Economic Review of Scholarly Research Since 2000. In: Ewing Marion Kauffman Foundation.

Brenner, C. T. (2009). Structures and Strategies of Immigrant Integration: Evidence from Local Governments in the New Latino Destinations of the United States. *Journal of Public Management & Social Policy, 15*(1), 31-70.

Brevoort, K. P., Holmes, J. A., & Wolken, J. D. (2010). Distance Still Matters: The Information Revolution in Small Business Lending and the Persistent Role of Location, 1993-2003. In: Federal Reserve.

Brown, W. K. (2008). Racial/Ethnic Differences in Religious Congregation-based Social Service Delivery Efforts. *Journal of Sociology & Social Welfare, 35*(4), 95-113.

Bureau of Labor Statistics. (2015). Currrent Population Survey (CPS) Table 13. Employed Hispanic or Latino workers by sex, occupation, class of worker, full- or part-time status, and detailed ethnic group. In: Bureau of Labor Stastitics.

Bureau of the Census. (2012). *2007 Survey of Business Owners (SBO) Public Use Microdata Sample (PUMS) Data Users Guide*.

Calavita, K. (2010). *Inside the State: The Bracero Program, Immigration, and the I.N.S.* (2nd ed.). New Orleans, Louisiana: Quid Pro, LLC.

Caliendo, M., & Kritikos, A. S. (2010). *"I Want to, But I Also Need to" - Start-Ups Resulting from Opportunity and Necessity*. DIW Berlin Discussion Paper. Working Paper. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1592904

Cantor, G. (2008). *Nonprofits Serving the Latino Community in the Washington, D.C. Metropolitan Area: A Portrait of Their Features and Activities*. Retrieved from https://www.urban.org/research/publication/nonprofits-serving-latino-community-washington-dc-metropolitan-area/view/full_report

Card, D., & Lewis, E. G. (2007). The Diffusion of Mexican Immigrants During the 1990s: Explanations and Impacts. In G. J. Borjas (Ed.), *Mexican Immigration to the United States*. Chicago: University of Chicago Press.

Carpenter, C. W. (2016). The Dynamics of Latino-Owned Businesses with Respect to Other Ethnicities. In. Center for Economic Studies: U.S. Census Bureau.

Carpenter, C. W., & Loveridge, S. (2018). Differences Between Latino-Owned Businesses and White-, Black-, or Asian-Owned Businesses: Evidence From Census Microdata. *Economic Development Quarterly, 32*(3), 225-241. doi:10.1177/0891242418785466

Casey, C. (2012). Low-Wealth Minority Enterprises and Access to Financial Resources for Start-Up Activities: Do Connections Matter? *Economic Development Quarterly, 26*(3), 252-266. doi:10.1177/0891242412452446

Cavalluzzo, K., & Wolken, J. (2005). Small Business Loan Turndowns, Personal Wealth, and Discrimination. *The Journal of Business, 78*(6), 2153-2178. doi:10.1086/497045

Celebration this Saturday: Latino Festival. (2016). *Ottumwa Courier*. Retrieved from http://www.ottumwacourier.com/news/celebration-this-saturday-latino-festival/article_1a6900a6-7ac8-11e6-b9e9-a78591b55d43.html

Cervantes-Rodriguez, A. M. (2006). Nicaraguans in Miami-Dade County: Immigration, Incorporation, and Transnational Entrepreneurship. *Latino Studies, 4*(3), 232-257. doi:10.1057/palgrave.lst.8600202

Chacko, E., & Price, M. (2015). Immigrant Entrepreneurship in the Washington Metropolitan Area: Opportunities and Challenges Facing Ethnic Minorities. In C. Teixeira & W. Li (Eds.), *The Housing and Economic Experiences of Immigrants in U.S. and Canadian Cities* (pp. 302-327). Toronto: University of Toronto Press.

Chang, E. P. C., Memili, E., Chrisman, J. J., Kellermanns, F. W., & Chua, J. H. (2009). Family Social Capital, Venture Preparedness, and Start-Up Decisions: A Study of Hispanic Entrepreneurs in New England. *Family Business Review, 22*(3), 279-292. doi:10.1177/0894486509332327

Choi, H. (2010). Religious Institutions and Ethnic Entrepreneurship: The Korean Ethnic Church as a Small Business Incubator. *Economic Development Quarterly*. doi:10.1177/0891242410375426

Chrysostome, E. (2010). The success factors of necessity immigrant entrepreneurs: In search of a model. *Thunderbird International Business Review, 52*(2), 137-152. doi:doi:10.1002/tie.20320

Colorado Business Bank. SBA Division. Retrieved from https://www.cobizbank.com/business/SBA/Pages/default.aspx

Community Development Financial Institutions (CDFI) Fund. (2015). CDFI Fund Releases Public Data on CDFI Program Awardees Through 2013 [Press release]. Retrieved from https://www.mycdfi.cdfifund.gov/news_events/CDFI-2015-27-CDFI_Fund_Releases_Public_Data_on_CDFI_Program_Awardees_Through_2013.asp

Coomes, P. A., Fernandez, J., & Gohmann, S. F. (2013). The Rate of Proprietorship Among Metropolitan Areas: The Impact of the Local Economic Environment and Capital Resources. *Entrepreneurship Theory and Practice, 37*(4), 745-770. doi:10.1111/j.1540-6520.2012.00511.x

Cressy, R. (2006). Why do most firms die young? *Small Business Economics, 26*(2), 103-116.

Dávila, A., Mora, M. T., & González, R. (2011). English-Language Proficiency and Occupational Risk Among Hispanic Immigrant Men in the United States. *Industrial Relations: A Journal of Economy and Society, 50*(2), 263-296. doi:10.1111/j.1468-232X.2011.00636.x

Davis, A., & Orlando, N. (2017). Santander Announces "Inclusive Communities" Plan -- A New $11 Billion, Five-Year Community Commitment [Press release]. Retrieved from https://www.santanderbank.com/us/documents/22507/131529/Inclusive+Communities+Plan/ab54c3f5-3964-4cbd-ad9a-9bbaee2baf9e

Delgado, M. (2013). *Latino Small Businesses and the American Dream: Community Social Work Practice and Economic and Social Development*. New York, New York: Columbia University Press.

Denver Department of Planning and Community Development. (2008). *Globeville Assessment*. Retrieved from Denver: https://www.denvergov.org/content/dam/denvergov/Portals/646/documents/planning/Plans/Globeville_Assessment.pdf

Dymski, G., Li, W., Aldana, C., & Ahn, H.-H. (2010). Ethnobanking in the USA: from antidiscrimination vehicles to transnational entities. *International Journal of Business and Globalisation, 4*(2), 163-191. doi:doi:10.1504/IJBG.2010.030667

Edgcomb, E. L., & Armington, M. M. (2003). *The Informal Economy: Latino Enteprises at the Margins*. Retrieved from Washington, D.C.:

Ellis, M., Wright, R., & Parks, V. (2004). Work Together, Live Apart? Geographies of Racial and Ethnic Segregation at Home and at Work. *Annals of the Association of American Geographers, 94*(3), 620-637. doi:10.1111/j.1467-8306.2004.00417.x

Fairlie, R. W. (2012). Immigrant Entrepreneurs and Small Business Owners, and Their Access to Financial Capital. In: United States Small Business Administration, Office of Advocacy.

Fairlie, R. W., & Fossen, F. M. (2018). *Opportunity Versus Necessity Entrepreneurship: Two Components of Business Creation*. CESifo Working Paper Series. Working Paper. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3140340

Fairlie, R. W., & Lofstrom, M. (2015). *Immigration and Entrepreneurship*. Retrieved from https://ssrn.com/abstract=2597992

Fairlie, R. W., & Robb, A. M. (2008). *Race and Entrepreneurial Success: Black-, Asian-, and White-Owned Businesses in the United States*. Cambridge, Massachusetts: The MIT Press.

Fairlie, R. W., & Woodruff, C. (2010). Mexican-American Entrepreneurship. *The B.E. Journal of Economic Analysis & Policy, 10*(1). doi:10.2202/1935-1682.2479

Farmer, F., Moon, Z. K., Abreo, C., Miller, W. P., & McCullough, S. (2010). Latino Immigrants' Guide to Starting a Business in Arkansas: A Handbook for Entrepreneurs. In: National Institute of Food and Agriculture, National Research Institute.

Federal Reserve. (2018, June 30). Minority-Owned Depository Institutions. Retrieved from https://www.federalreserve.gov/releases/mob/current/default.htm

Fetzer, J. S. (2011). *The Evolution of Public Attitudes toward Immigration in Europe and the United States, 2000-2010*. Retrieved from http://cadmus.eui.eu/handle/1814/17840

Fittipaldi, S. (2017, May). Best Banks in Latin America 2017. *Global Finance*.

Flyvbjerg, B. (1998). *Rationality and Power: Democracy in Practice* (S. Sampson, Trans.). Chicago: University of Chicago Press.

Focus Points. Economic and Workforce Development. Retrieved from https://www.focuspoints.org/about2

Fong, E., Anderson, E. E., Chen, W., & Luk, C. (2008). The Logic of Ethnic Business Distribution in Multiethnic Cities. *Urban Affairs Review, 43*(4), 497-519.

Fong, E., Chen, W., & Luk, C. (2007). A Comparison of Ethnic Businesses in Suburbs and City. *City and Community, 6*(2), 119-136.

Fong, E., Chen, W., & Luk, C. (2012). A Study of Locational Distribution of Small and Large Ethnic Businesses in a Multiethnic City: Chinese in Toronto, Canada. *Journal of Small Business Management, 50*(4), 678-698.

Fong, E., Luk, C., & Ooka, E. (2005). Spatial distribution of suburban ethnic businesses. *Social Science Research, 34*(1), 215-235. doi:http://dx.doi.org/10.1016/j.ssresearch.2003.10.007

García-Pabón, J., & Klima, K. (2017). Latino small businesses in northwest Washington: Perceptions, challenges, and needs. *Community Development, 48*(3), 370-384. doi:10.1080/15575330.2017.1301976

Gardner, N., & Slaby, M. (2014, November). Welcome to Globeville. *5280*.

Garnier, S. (2018). viridis: Default Color Maps from "matplotlib" [R package]. R package version 0.5.1. Retrieved from https://cran.r-project.org/package=viridis

Gaviria Duque, A. (2012). *Immigrant Micro Entrpreneurship: The Colombian Case in New York and New Jersey.* (Ph.D. Dissertation), The New School, New York, NY.

Georgarakos, D., & Tatsiramos, K. (2007). Entrepreneurship and Survival Dynamics of Immigrants to the U.S. and their Descendants. In. Bonn, Germany: Institute for the Study of Labor (IZA).

Glazer, N. (1954). Ethnic Groups in America: From National Culture to Ideology. In M. Berger, T. Abel, & C. Page (Eds.), *Freedom and control in modern society* (pp. 158-173).

Glenn, E. H. (2018). acs: Download, Manipulate, and Present American Community Survey and Decennial Data from the US Census [R package]: R package version 2.1.3. Retrieved from https://cran.r-project.org/package=acs

Globeville Elyria-Swansea Coalition Organizing for Health and Housing Justice. (2017). *Globeville Elyria-Swansea: The Peoples' Survey: A Story of Displacement*. Retrieved from Denver: https://www.gescoalition.com/download-housing-report

Granier, M. (2006). *Hispanic Entrepreneurship: A Comparison of Two Georgia Communities*. Retrieved from

Gratton, B., & Gutmann, M. P. (2000). Hispanics in the United States, 1850-1990. *Historical Methods, 33*(3), 137-153.

Grossman, P., Chen, E., & Chapel, P. (2005). *Findings and Recommendations: Supply-Side Scan of Microenterprise Financing*. Retrieved from http://fieldus.org/Projects/pdf/SupplySideLitScan.pdf

Halter, M. (Ed.) (1995). *New Migrants in the Marketplace: Boston's Ethnic Entrepreneurs*. Boston, Massachusetts: University of Massachusetts Press.

Hamilton, B. H. (2000). Does Entrepreneurship Pay? An Empirical Analysis of the Returns to Self-Employment. *Journal of Political Economy, 108*(3), 604-631. doi:10.1086/262131

Harper-Anderson, E. (2017). Contemporary Black Entrepreneurship in the Professional Service Sector of Chicago: Intersections of Race, Entrepreneurship, and Economic Transformation. *Urban Affairs Review*. doi:10.1177/1078087417712035

Hayes-Bautista, D. E., & Chapa, J. (1987). Latino Terminology: Conceptual Bases for Standardized Terminology. *American Journal of Public Health, 77*(1), 61-68.

Healey, J. F. (2004). *Statistics: A Tool for Social Research* (7th ed.). Belmont, California: Thomson Wadsworth.

Heffel, N. (2014). Globeville and Elyria-Swansea: Gentrification Wary, But Looking for Change. Morning Edition: National Public Radio.

Hoalst-Pullen, N., Slinger-Friedman, V., Trendell, H. R., & Patterson, M. W. (2013). Spatial and Temporal Patterns of an Ethnic Economy in a Suburban Landscape of the Nuevo South. *Southeastern Geographer, 53*(3), 310-327.

Hoekstra, M., & Orozco-Aleman, S. (2017). Illegal immigration, state law, and deterrence. *American Economic Journal: Economic Policy, 9*(2), 228-252.

Howell, A. J., & Timberlake, J. M. (2014). Racial and Ethnic Trends in the Suburbanization of Poverty in U.S. Metropolitan Areas, 1980–2010. *Journal of Urban Affairs, 36*(1), 79-98. doi:doi:10.1111/juaf.12030

Huang, X., & Liu, C. Y. (2018). Welcoming Cities: Immigration Policy at the Local Government Level. *Urban Affairs Review, 54*(1), 3-32. doi:10.1177/1078087416678999

Hum, T. (2011). The Changing Landscape of Asian Entrepreneurship, Minority Banks, and Community Development. *AAPI Nexus: Asian Americans & Pacific Islanders Policy, Practice and Community, 9*(1), 78-90.

Hung, C.-K. R. (2007). Immigrant nonprofit organizations in US metropolitan areas. *Nonprofit and Voluntary Sector Quarterly, 36*(4), 707-729.

Immergluck, D. (2008). Research Design Issues for Measuring CDFI Performance and Impact. In D. Fabiani & T. F. Buss (Eds.), *Reengineering Community Development for the 21st Century* (pp. 76-93). New York: Routledge.

International City-County Management Association. (2014). *Economic Development 2014 Survey Results*. Retrieved from https://icma.org/documents/icma-survey-research-economic-development-survey-results-2014

Johnston, M. F., Karageorgis, S., & Light, I. (2013). Mexican Population Growth in New US Destinations: Testing and Developing Social Capital Theories of Migration using Census Data. *Journal of Ethnic and Migration Studies, 39*(9), 1479-1505. doi:10.1080/1369183X.2013.815430

Kalnins, A., & Chung, W. (2006). Social capital, geography, and survival: Gujarati immigrant entrepreneurs in the US lodging industry. *Management Science, 52*(2), 233-247.

Kaplan, D. H., & Li, W. (Eds.). (2006). *Landscapes of the Ethnic Economy*. Lanham, Maryland: Rowman & Littlefield.

Kataure, V., & Walton-Roberts, M. (2015). The Good, the Bad, and the Suburban: Tracing North American Theoretical Debates About Ethnic Enclaves, Ethnic Suburbs, and Housing Preference. In C. Teixeira & W. Li (Eds.), *The Housing and Economic Experiences of Immigrants in U.S. and Canadian Cities*. Toronto: University of Toronto Press.

Katz, L. F., & Kreuger, A. B. (2016). *The Rise and Nature of Alternative Work Arrangements in the United States, 2005-2015*. White Paper. Princeton University

NBER. Retrieved from https://krueger.princeton.edu/sites/default/files/akrueger/files/katz_krueger_cws_-_march_29_20165.pdf

Kim, A. J., Levin, J. M., & Botchwey, N. D. (2017). Planning with Unauthorized Immigrant Communities: What Can Cities Do? *Journal of Planning Literature, 33*(1), 3-16. doi:10.1177/0885412217698403

Klein, C. (2017, March 16). When America Despised the Irish: The 19th Century's Refugee Crisis. Retrieved from https://www.history.com/news/when-america-despised-the-irish-the-19th-centurys-refugee-crisis

Kloosterman, R., & Rath, J. (2001). Immigrant entrepreneurs in advanced economies: Mixed embeddedness further explored. *Journal of Ethnic and Migration Studies, 27*(2), 189-201. doi:10.1080/13691830020041561

Kloosterman, R., Van Der Leun, J., & Rath, J. (1999). Mixed Embeddedness: (In)formal Economic Activities and Immigrant Businesses in the Netherlands. *International Journal of Urban and Regional Research, 23*(2), 252-266. doi:10.1111/1468-2427.00194

Lamstein, A. (2018). choroplethr: Simplify the Creation of Choropleth Maps in R [R package]: R package version 3.6.3. Retrieved from https://cran.r-project.org/package=choroplethr

Landolt, P., Autler, L., & Baires, S. (1999). From Hermano Lejano to Hermano Mayor: the dialectics of Salvadoran transnationalism. *Ethnic and Racial Studies, 22*(2), 290-315. doi:10.1080/014198799329495

Latino Community Credit Union. Impact. Retrieved from https://latinoccu.org/impact/

Latino Migration Project. About. Retrieved from https://migration.unc.edu/about/

Latino Migration Project. (2013). *Durham's Immigrant Communities: Looking to the Future*. Retrieved from Chapel Hill: http://isa.web.unc.edu/files/2013/02/Durhams-Immigrant-Communities.pdf

Latino Migration Project. (2016). Service Opportunities. In (pp. 2). Chapel Hill.

Lee, J. (2007). Striving for the American Dream: Struggle, Success, and Intergroup Conflict among Korean Immigrant Entrepreneurs. In M. Zhou & J. V. Gatewood (Eds.), *Contemporary Asian America: A Multidisciplinary Reader* (2nd ed., pp. 243-258). New York: New York University Press.

Lee, J. J., & Zhang, W. (2011). Financial Capital and Startup Survival. *Academy of Management Proceedings, 2011*(1), 1-6. doi:10.5465/ambpp.2011.65869494

Leigh, N. G., & Blakely, E. J. (2013). *Planning local economic development: Theory and practice*: SAGE Publications, Incorporated.

Levanon, A. (2014). Who succeeds as an immigrant? Effects of ethnic community resources and external conditions on earnings attainment. *Research in Social Stratification and Mobility, 36*, 13-29. doi:https://doi.org/10.1016/j.rssm.2013.11.002

Levitt, P. (1995). A Todos Les Llamo Primo (I Call Everyone Cousin): The Social Business for Latino Small Businesses. In M. Halter (Ed.), *New Migrants in the Marketplace: Boston's Ethnic Entrepreneurs*. Boston, Massachusetts: University of Massachusetts Press.

Li, W. (1998). Anatomy of a New Ethnic Settlement: The Chinese Ethnoburb in Los Angeles. *Urban Studies, 35*(3), 479-501. doi:10.1080/0042098984871

Li, W. (2005). Beyond Chinatown, beyond Enclave: Reconceptualizing Contemporary Chinese Settlements in the United States. *GeoJournal, 64*(1), 31-40. doi:10.1007/s10708-005-3921-6

Li, W., Dymski, G., Chee, M. W. L., Ahn, H.-H., Aldana, C., & Zhou, Y. (2006). How Ethnic Banks Matter: Banking and Community/Economic Development in Los Angeles. In D. H. Kaplan & W. Li (Eds.), *Landscapes of the Ethnic Economy* (pp. 111-132). Rowman & Littlefield: Lanham, Maryland.

Li, W., Dymski, G., Zhou, Y., Chee, M., & Aldana, C. (2002). Chinese-American Banking and Community Development in Los Angeles County. *Annals of the Association of American Geographers, 92*(4), 777-796.

Li, W., & Lo, L. (2015). Financing Immigrant Small Businesses in Canada and the United States. In C. Teixeira & W. Li (Eds.), *The Housing and Economic Experiences of Immigrants in U.S. and Canadian Cities* (pp. 328-352). Toronto: University of Toronto Press.

Li, W., Lo, L., & Oberle, A. (2014). The embeddedness of bank branch networks in immigrant gateways / L'enchâssement des réseaux de succursales bancaires aux portes d'entrée des immigrants. *The Canadian Geographer / Le Géographe canadien, 58*(1), 48-62. doi:10.1111/cag.12062

Li, W., & Skop, E. (2007). Enclaves, ethnoburbs, and new patterns of settlement among Asian immigrants. In M. Zhou & J. V. Gatewood (Eds.), *Contemporary Asian American: A multidisciplinary reader* (pp. 222-236). New York, New York: NYU Press.

Light, I. (1973). *Ethnic Enterprise in America*. Berkeley, California: University of California Press.

Light, I. (2002). Immigrant Place Entrepreneurs in Los Angeles, 1970–99. *International Journal of Urban and Regional Research, 26*(2), 215-228. doi:10.1111/1468-2427.00376

Light, I., & Bonacich, E. (1991). *Immigrant Entrepreneurs: Koreans in Los Angeles, 1965-1982*. Berkeley, CA: University of California Press.

Light, I., & Johnston, M. F. (2009). The metropolitan dispersion of Mexican immigrants in the United States, 1980 to 2000. *Journal of Ethnic and Migration Studies, 35*(1), 3-18.

Light, I., Sabagh, G., Bozorgmehr, M., & Der-Martirosian, C. (1994). Beyond the Ethnic Enclave Economy. *Social Problems, 41*(1), 65-80. doi:10.2307/3096842

Liu, C. Y. (2012a). The Causes and Dynamics of Minority Entrepreneurial Entry. *Journal of Developmental Entrepreneurship, 17*(01).

Liu, C. Y. (2012b). Intrametropolitan opportunity structure and the self-employment of Asian and Latino immigrants. *Economic Development Quarterly, 26*(2), 178-192.

Liu, C. Y. (2014). Minority-Owned and Immigrant-Owned Businesses in Georgia's Economy.

Liu, C. Y., & Abdullahi, S. (2012). From Cities to Suburbs: Intrametropolitan Location and Growth of Ethnic Enterprises. *Andrew Young School of Policy Studies Research Paper Series*(12-03).

Liu, C. Y., Miller, J., & Wang, Q. (2014). Ethnic enterprises and community development. *GeoJournal, 79*(5), 565-576.

Liu, C. Y., & Painter, G. (2011). Travel Behavior among Latino Immigrants: The Role of Ethnic Concentration and Ethnic Employment. *Journal of Planning Education and Research*. doi:10.1177/0739456x11422070

Liu, C. Y., & Painter, G. (2012). Immigrant Settlement and Employment Suburbanisation in the US: Is There a Spatial Mismatch? *Urban Studies, 49*(5), 979-1002. doi:10.1177/0042098011405695

Liu, C. Y., Painter, G., & Wang, Q. (2014). Lessons for US Metro Areas: Characteristics and Clustering of High-Tech Immigrant Entrepreneurs (comprehensive white paper version). *Available at SSRN 2416518*.

Lo, L., Teixeira, C., & Truelove, M. (2003). Polish and Somali Entrepreneurship and the Building of Ethnic Economies in Toronto. *Espace, 1*, 167-181. doi:10.3406/espos.2003.2071

Lofstrom, M., & Bates, T. (2009). Latina entrepreneurship. *Small Business Economics, 33*(4), 427-439.

Lofstrom, M., & Wang, C. (2007). Mexican-Hispanic Self-Employment Entry: The Role of Business Start-Up Constraints. *The ANNALS of the American Academy of Political and Social Science, 613*(1), 32-46. doi:10.1177/0002716207303577

Lopez, M. H., Taylor, P., Funk, C., & Gonzalez-Barrera, A. (2013). *On Immigration Policy, Deportation Relief Seen as More Important Than Citizenship: A Survey of Hispanics and Asian-Americans*. Retrieved from http://www.pewhispanic.org/2013/12/19/on-immigration-policy-deportation-relief-seen-as-more-important-than-citizenship/

Lung-Amam, W. S. (2015). Malls of Meaning: Building Asian America in Silicon Valley Suburbia. *Journal of American Ethnic History, 34*(2), 18-53. doi:10.5406/jamerethnhist.34.2.0018

Lung-Amam, W. S. (2017). *Trespassers? Asian-Americans and the Battle for Suburbia*. Berkeley: University of California Press.

Magaña, L., & Lee, E. (Eds.). (2013). *Latino Politics and Arizona's Immigration Law SB 1070*. New York: Springer.

Manson, S., Schroeder, J., Van Riper, D., & Ruggles, S. (2017). *IPUMS National Historical Geographic Information System*.

Marrow, H. (2003). To be or not to be (Hispanic or Latino): Brazilian racial and ethnic identity in the United States. *Ethnicities, 3*(4), 427-464.

Martin, P. (1995). Proposition 187 in California. *The International Migration Review, 29*(1), 255-263. doi:10.2307/2547004

Maslin Nir, S. (2015, May 7). The Price of Nice Nails. *The New York Times*. Retrieved from https://www.nytimes.com/2015/05/10/nyregion/at-nail-salons-in-nyc-manicurists-are-underpaid-and-unprotected.html

Massey, D. S. (1990). Why Does Immigration Occur? A Theoretical Synthesis. In C. Hirschman, J. DeWind, & P. Kasinitz (Eds.), *The Handbook of International Migration: The American Experience* (pp. 34-52). New York, New York: Russell Sage.

McDaniel, P. N., Rodriguez, D. X., & Kim, A. J. (2017). Receptivity and the Welcoming Cities Movement: Advancing a Regional Immigrant Integration Policy Framework in Metropolitan Atlanta, Georgia. *Papers in Applied Geography, 3*(3-4), 355-379. doi:10.1080/23754931.2017.1367957

McManus, W., Gould, W., & Welch, F. (1983). Earnings of Hispanic Men: The Role of English Language Proficiency. *Journal of Labor Economics, 1*(2), 101-130.

Mexican American Legal Defense and Educational Fund, National Day Laborer Organizing Network, & National Hispanic Leadership Agenda. (2014). *Detention, Deportation, and Devastation: The Disproportionate Effect of Deportations on the Latino Community*. Retrieved from

Misra, T. (2015, December 7). The Struggles of a Pro-Immigrant City in an Anti-Immigrant State. *CityLab*.

Monogan, J. E. (2013). The politics of immigrant policy in the 50 US states, 2005-2011. *Journal of Public Policy, 33*(1), 35-64. doi:10.1017/S0143814X12000189

Moon, Z. K., Farmer, F. L., Miller, W. P., & Abreo, C. (2014). Identification and Attenuation of Barriers to Entrepreneurship: Targeting New Destination Latino Migrants. *Economic Development Quarterly, 28*(1), 61-72. doi:10.1177/0891242413513495

Mora, M. T., & Dávila, A. (2006). Mexican Immigrant Self-Employment Along the U.S.-Mexico Border: An Analysis of 2000 Census Data. *Social Science Quarterly, 87*(1), 91-109. doi:10.1111/j.0038-4941.2006.00370.x

Mudd, J. (2013). Impact Measurement for CDFI Small Business Lenders. In: Opportunity Finance Network.

Muñoz, A. P., Browne, L. E., Carbonell, S., Chakrabarti, P., Green, D., Kodrzycki, Y. K., . . . Zhao, B. (2011). *Small businesses in Springfield, Massachusetts: a look at Latino entrepreneurship*. Retrieved from Boston:

Murdie, R. A., & Skop, E. (2012). Immigration and Urban and Suburban Settlements. In C. Teixeira, W. Li, & A. Kobayashi (Eds.), *Immigrant Geographies of North American Cities*. Don Mills, Ontario: Oxford University Press.

Murray, J. (2014, July 5). Globeville site nears turning point as Asarco cleanup approaches end. *Denver Post*. Retrieved from https://www.denverpost.com/2014/07/05/globeville-site-nears-turning-point-as-asarco-cleanup-approaches-end/

National Association of Latino Community Asset Builders (NALCAB). (2017). *A Survey of Small Business Owners in 11 Markets: Insights into Latino and Immigrant Entrepreneurship*. Retrieved from https://www.nalcab.org/news/nalcab-2017-survey-of-small-business-owners/

Oberle, A. (2006). Latino Business Landscapes and the Hispanic Ethnic Economy. In D. H. Kaplan & W. Li (Eds.), *Landscapes of the Ethnic Economy* (pp. 147-162). Lanham, Maryland: Rowman & Littlefield.

Oberle, A. (2015). The Latino Commercial Landscape and Evolving Hispanic Immigrant Population in Two Midwestern Metropolitan Areas. In C. Teixeira & W. Li (Eds.), *The Housing and Economic Experiences of Immigrants in U.S. and Canadian Cities* (pp. 281-301). Toronto: University of Toronto Press.

Oberle, A., & Arreola, D. D. (2008). Resurgent Mexican Phoenix. *Geographical Review, 98*(2), 171-196. doi:10.1111/j.1931-0846.2008.tb00295.x

Ortiz-Walters, R., Gavino, M. C., & Williams, D. (2015). Social networks of Latino and Latina entrepreneurs and their impact on venture performance. *Academy of Entrepreneurship Journal, 21*(1), 58-82.

Painter, G., Liu, C. Y., & Wang, Q. (2014). Lessons for U.S. Metro Areas: Characteristics and Clustering of High-Tech Immigrant Entrepreneurs. In: Ewing Marion Kauffman Foundation.

Park, K. (1997). *The Korean American Dream: Immigrants and Small Business in New York City*. Ithaca, New York: Cornell University Press.

Park, K. (2010). Sources and Resources of Korean Immigrant Entrepreneurship. *Critical Sociology, 36*(6), 891-896. doi:10.1177/0896920510377263

Parrado, E. A., & Flippen, C. A. (2016). The Departed:Deportations and Out-Migration among Latino Immigrants in North Carolina after the Great Recession. *The ANNALS of the American Academy of Political and Social Science, 666*(1), 131-147. doi:10.1177/0002716216646563

Passel, J. S., & Cohn, D. V. (2016). *Overall Number of U.S. Unauthorized Immigrants Holds Steady Since 2009*. Retrieved from Pew Research Center:

Passel, J. S., & Cohn, D. V. (2017, February 9). 20 metro areas are home to six-in-ten unauthorized immigrants in the United States. Retrieved from http://www.pewresearch.org/fact-tank/2017/02/09/us-metro-areas-unauthorized-immigrants/

Pathak, M. A. (2014). *Beginning Data Science with R* (1st ed.): Springer International Publishing.

Patraporn, R. V. (2015). Complex transactions: Community development financial institutions lending to ethnic entrepreneurs in Los Angeles. *Community Development, 46*(5), 479-498. doi:10.1080/15575330.2015.1079541

Patraporn, R. V., Pfeiffer, D., & Ong, P. (2010). Building Bridges to the Middle Class: The Role of Community-Based Organizations in Asian American Wealth Accumulation. *Economic Development Quarterly, 24*(3), 288-303. doi:10.1177/0891242410366441

Peng, R. D. (2016). *Exploratory Data Analysis with R*: Leanpub.

Perez, A. (2016, June 15). The Other Local Popsicles: One Latino Family Wants to Take La Monarca Michoacana Triangle-Wide. *IndyWeek*. Retrieved from https://www.indyweek.com/indyweek/the-other-local-popsicles-one-latino-family-wants-to-take-la-monarca-michoacana-triangle-wide/Content?oid=5041704

Perry, V. G. (2008). Acculturation, microculture and banking: an analysis of Hispanic consumers in the USA. *Journal of Services Marketing, 22*(6), 423-433. doi:doi:10.1108/08876040810901846

Pew Research Center. (2017). Latinos and the New Trump Administration [Press release]. Retrieved from http://www.pewhispanic.org/2017/02/23/latinos-and-the-new-trump-administration/

Pisani, M. J., Guzman, J. M., Richardson, C., Sepulveda, C., & Laulié, L. (2017). Small business enterprises and Latino entrepreneurship: An enclave or mainstream activity in South Texas? *Journal of International Entrepreneurship, 15*(3), 295-323. doi:10.1007/s10843-017-0203-6

Portes, A., Guarnizo, L. E., & Haller, W. J. (2002). Transnational Entrepreneurs: An Alternative Form of Immigrant Economic Adaptation. *American Sociological Review, 67*(2), 278-298. doi:10.2307/3088896

Portes, A., & Landolt, P. (1996). The Downside of Social Capital. *The American Prospect, May/June*.

Portes, A., & Puhrmann, A. (2015). A Bifurcated Enclave: The Economic Evolution of the Cuban and Cuban American Population of Metropolitan Miami. *Cuban Studies*(43), 40-63.

Portes, A., & Sensenbrenner, J. (1993). Embeddedness and Immigration: Notes on the Social Determinants of Economic Action. *American Journal of Sociology, 98*(6), 1320-1350. doi:10.2307/2781823

Portes, A., & Shafer, S. (2007). Revisiting the Enclave Hypothesis: Miami Twenty-five Years Later. In M. Ruef & M. Lounsbury (Eds.), *The Sociology of Entrepreneurship* (pp. 157-190). Amsterdam: JAI Press.

Portes, A., & Stepick, A. (1993). *City on the Edge: The Transformation of Miami*. Berkeley: University of California Press.

Portes, A., & Yiu, J. (2013). Entrepreneurship, transnationalism, and development. *Migration Studies, 1*(1), 75-95. doi:10.1093/migration/mns036

Portes, A., & Zhou, M. (1996). Self-Employment and the Earnings of Immigrants. *American Sociological Review, 61*(2), 219-230. doi:10.2307/2096332

Preston, V., & Lo, L. (2000). Canadian Urban Landscape Examples - 21 'Asian theme' malls in suburban Toronto: land use conflict in Richmond Hill. *Canadian Geographer / Le Géographe canadien, 44*(2), 182-190. doi:10.1111/j.1541-0064.2000.tb00701.x

Qadeer, M. A. (1999). *The Bases of Chinese and South Asian Merchants' Entrepreneurship and Ethnic Enclaves, Toronto, Canada*. Retrieved from http://www.ceris.metropolis.net/wp-content/uploads/virtual_library/Qadeer_1999.pdf

Qadeer, M. A. (2016). *Multicultural Cities: Toronto, New York, and Los Angeles*. Toronto: University of Toronto Press.

QGIS Development Team. (2018). QGIS Geographic Information System (Version 2.18.8 LTR): Open Source Geospatial Foundation Project. Retrieved from https://www.qgis.org/en/site/

R Core Team. (2018). R: A language and environment for statistical computing. Vienna, Austria: R Foundation for Statistical Computing. Retrieved from www.r-project.org

Raijman, R., & Tienda, M. (2000a). Immigrants' pathways to business ownership: A comparative ethnic perspective. *International Migration Review*, 682-706.

Raijman, R., & Tienda, M. (2000b). Training functions of ethnic economies: Mexican entrepreneurs in Chicago. *Sociological Perspectives, 43*(3), 439-456.

Rath, J. (2007). *The transformation of ethnic neighborhoods into places of leisure and consumption*. Working Paper. Center for Comparative Immigration Studies, University of California, San Diego.

Recht, H. (2018). censusapi: Retrieve Data from the Census API: R package version 0.4.1. Retrieved from https://cran.r-project.org/package=censusapi

Reynolds, P. D., & Curtain, R. T. (2008). Business Creation in the United States: Panel Study of Entrepreneurial Dynamics II Initial Assessment. *Foundations and Trends in Entrepreneurship, 4*(3), 155-307. doi:10.1561/0300000022

Rivers, D., Porras, J., Rodriguez Ott, N., Pompa, P., & Chapa, E. (2017). *State of Latino Entrepreneurship 2016*. Retrieved from https://www.gsb.stanford.edu/sites/gsb/files/publication-pdf/report-slei-state-latino-entrepreneurship-2016_0.pdf

Robb, A. M. (2002). Entrepreneurial Performance by Women and Minorities: The Case of New Firms. *Journal of Developmental Entrepreneurship, 7*(4), 383.

Robb, A. M., & Robinson, D. T. (2018). Testing for racial bias in business credit scores. *Small Business Economics, 50*(3), 429-443. doi:10.1007/s11187-017-9878-2

Robles, B. J., & Cordero-Guzmán, H. (2007). Latino self-employment and entrepreneurship in the United States: An overview of the literature and data sources. *The ANNALS of the American Academy of Political and Social Science, 613*(1), 18-31.

Rodríguez, G. (2007). Logit Models for Binary Data. In *Lecture Notes on Generalized Linear Models*.

RStudio Team. (2015). RStudio: Integrated Development for R (Version 1.1.456). Boston: RStudio, Inc.

Ruggles, S., Genadek, K., Goeken, R., Grover, J., & Sobek, M. (2017). *Integrated Public Use Microdata Series*.

Sabia, D. (2010). The Anti-Immigrant Fervor in Georgia: Return of the Nativist or Just Politics as Usual? *Politics & Policy, 38*(1), 53-80. doi:doi:10.1111/j.1747-1346.2009.00228.x

Salinas, C., & Lozano, A. (2017). Mapping and recontextualizing the evolution of the term Latinx: An environmental scanning in higher education. *Journal of Latinos and Education*, 1-14. doi:10.1080/15348431.2017.1390464

Saucedo, L. M., & Morales, M. C. (2010). Masculinities narratives and Latino immigrant workers: a case study of the Las Vegas residential construction trades. *Harv. JL & Gender, 33*, 625.

Saxenian, A. (1996). *Regional Advantage: Culture and Competition in Silicon Valley and Route 128* (Paperback ed.). Cambridge, Massachusetts: Harvard University Press.

Self-Help Credit Union. Supporting Underserved Communities. Retrieved from https://www.self-help.org/what-we-do/we-serve/underserved-communities

Servon, L. J. (1999). *Bootstrap Capital: Microenterprises and the American Poor*. Washington, D.C.: Brookings Institution Press.

Servon, L. J., Fairlie, R. W., Rastello, B., & Seely, A. (2010). The Five Gaps Facing Small and Microbusiness Owners: Evidence From New York City. *Economic Development Quarterly, 24*(2), 126-142. doi:10.1177/0891242409354899

Shin, E. J. (2017). Unraveling the Effects of Residence in an Ethnic Enclave on Immigrants' Travel Mode Choices. *Journal of Planning Education and Research, 37*(4), 425-443. doi:10.1177/0739456x16663309

Shinnar, R. S., Aguilera, M. B., & Lyons, T. S. (2011). Co-ethnic markets: Financial penalty or opportunity? *International Business Review, 20*(6), 646-658.

Shinnar, R. S., Cardon, M. S., Eisenman, M., Zuiker, V. S., & Lee, M.-S. (2009). Immigrant and US-born Mexican-owned businesses: Motivations and Management. *Journal of Developmental Entrepreneurship, 14*(03), 273-295.

Shinnar, R. S., & Young, C. A. (2008). Hispanic Immigrant Entrepreneurs in the Las Vegas Metropolitan Area: Motivations for Entry into and Outcomes of Self-Employment. *Journal of Small Business Management, 46*(2), 242-262.

Shunk, L. (2016). Heritage Food Incubator Comal Opens at TAXI. *Westword*. Retrieved from http://www.westword.com/restaurants/heritage-food-incubator-comal-opens-at-taxi-8413869

Singer, A. (2004). *The Rise of New Immigrant Gateways*. Retrieved from Center on Urban and Metropolitan Policy:

Singer, A. (2013). Contemporary Immigrant Gateways in Historical Perspective. *Daedalus, 142*(3), 76-91. doi:10.1162/DAED_a_00220

Singer, A. (2015). *A Typology of Immigrant Gateways, 2014*. Retrieved from Washington, D.C.: https://www.brookings.edu/wp-content/uploads/2016/07/Gateways-2014-update-1.pdf

Singer, A., Hardwick, S. W., & Brettell, C. B. (Eds.). (2009). *Twenty-First Century Gateways: Immigrant Incorporation in Suburban America*. Washington, D.C.: Brookings Institution Press.

Smith, H. A., & Furuseth, O. J. (2004). Housing, Hispanics, and Transitioning Geographies in Charlotte, North Carolina. *Southeastern Geographer, 44*(2), 216-235.

Somashekhar, M. (2018). Has the Suburbanization of Ethnic Economies Created New Opportunities for Income Attainment? *Social Science Quarterly, 99*(1), 62-79. doi:doi:10.1111/ssqu.12353

Stanford Latino Entrepreneurship Initiative (SLEI). (2017a). Latino Entrepreneurship Regional Insights: Miami-Dade County, Florida. In Stanford Graduate School of Business (Ed.). Palo Alto, California.

Stanford Latino Entrepreneurship Initiative (SLEI). (2017b). Latino Entrepreneurship Regional Insights: New York City, New York. In Stanford Graduate School of Business (Ed.). Palo Alto, California.

Swack, M., Hangen, E., & Northrup, J. (2014). *CDFIs Stepping into the Breach: An Impact Evaluation--Summary Report*. Retrieved from

Teixeira, C. (1998). Cultural Resources and Ethnic Entrepreneurship: A Case Study of the Portuguese Real Estate Industry in Toronto. *The Canadian Geographer / Le Géographe canadien, 42*(3), 267-281.

The Aspen Institute/FIELD. (2016). *U.S. Census Microenterprise Highlights, FY 2014*. Retrieved from https://assets.aspeninstitute.org/content/uploads/2017/04/CensusHighlightsFY2014.pdf

Tienda, M., & Raijman, R. (2004). Promoting Hispanic immigrant entrepreneurship in Chicago. *Journal of Developmental Entrepreneurship, 9*(1), 1-22.

Tienda, M., & Sánchez, S. M. (2013). Latin American Immigration to the United States. *Daedalus, 142*(3), 48-64. doi:10.1162/DAED_a_00218

Tseng, Y.-F. (1995). Beyond "Little Taipei": The Development of Taiwanese Immgirant Businesses in Los Angeles. *International Migration Review, 29*(1), 33-58.

U.S. Department of Homeland Security Immigration and Customs Enforcement (ICE). ICE FOIA Tasking for 2017 -ICFO-33429. Retrieved from https://www.ice.gov/doclib/287gMOA/287gCommunities2009-2017.xlsx

U.S. Department of Homeland Security Immigration and Customs Enforcement (ICE). (2018, March 26). Delegation of Immigration Authority Section 287(g) Immigration and Nationality Act. Retrieved from https://www.ice.gov/287g

U.S. Small Business Administration Office of Advocacy. (2013). *Small Business Lending in the United States 2012*. Retrieved from

United States Bureau of the Census. (2012). *Survey of Business Owners (SBO) Table 00CSA06*.

United States Bureau of the Census. (2014, September 15). Frequently Occurring Surnames from the Census 2000. Retrieved from https://www.census.gov/topics/population/genealogy/data/2000_surnames.html

United States Bureau of the Census. (2016). *Tabel B05003I: Sex By Age By Nativity and Citizenship Status (2012-2016 American Community Survey 5-Year Estimates)*. Retrieved from: https://factfinder.census.gov/bkmk/table/1.0/en/ACS/16_5YR/B05003I

United States Bureau of the Census. (2017, July 7). Annual Survey of Entrepreneurs: Methodology. Retrieved from https://www.census.gov/programs-surveys/ase/technical-documentation/methodology.2014.html

United States Bureau of the Census. (2018). Census Bureau Announces New 2017 Annual Business Survey [Press release]. Retrieved from https://www.census.gov/newsroom/press-releases/2018/annual-business-survey.html

United States Hispanic Chamber of Commerce (USHCC). (2018). Local Chambers. Retrieved from https://ushcc.com/local-chambers/

United States Small Business Administration. (2012). Small Business Facts: Do economic or industry factors affect business survival? In.

Valdez, Z. (2008). The Effect of Social Capital on White, Korean, Mexican and Black Business Owners' Earnings in the US. *Journal of Ethnic and Migration Studies, 34*(6), 955-973. doi:10.1080/13691830802211265

Valdez, Z. (2016). Intersectionality, the household economy, and ethnic entrepreneurship. *Ethnic and Racial Studies, 39*(9), 1618-1636. doi:10.1080/01419870.2015.1125009

Van Hook, J., & Bean, F. D. (1998). Estimating underenumeration among authorized Mexican migrants to the United States: Applications of mortality analyses. In *Migration between Mexico and the United States: Research reports and background materials*. Washington, D.C.: U.S. Commission on Immigration Reform.

Venables, W. N., & Ripley, B. D. (2002). *Modern Applied Statistics with S*: Springer.

Vincent, V. C. (1996). Decision-making policies among Mexican-American small business entrepreneurs. *Journal of Small Business Management, 34*(4), 1-13.

Visan, L. (2012). Creating Social Capital Resources: A case study of Romanian immigrants in Toronto and the greater Toronto area. In. CERIS Working Paper Series.

Vitiello, D. (2009). The Migrant Metropolis and American Planning. *Journal of the American Planning Association, 75*(2), 245-255. doi:10.1080/01944360902724496

Wah, T. (2008). The Essential Structure Of Afro-Caribbean Immigrant Enterprise Viability: Views From Local Economic Development Practitioners And Implications. *Journal of Developmental Entrepreneurship, 13*(04), 463-484.

Waldinger, R. (1993). The ethnic enclave debate revisited. *International Journal of Urban and Regional Research, 17*(3), 444-452. doi:10.1111/j.1468-2427.1993.tb00232.x

Waldinger, R., & Aldrich, H. E. (1990). Trends in Ethnic Businesses in the United States. In R. Waldinger, H. E. Aldrich, & R. Ward (Eds.), *Ethnic Entrepreneurship* (pp. 49-78). Newbury Park, California: Sage Publications.

Waldinger, R., Aldrich, H. E., Bradford, W. D., Boissevain, J., Chen, G., Korte, H., . . . Wilson, P. (1990). Conclusions and Policy Implications. In R. Waldinger, H. E. Aldrich, & R. Ward (Eds.), *Ethnic Entrepreneurs* (pp. 177-198). Newbury Park, California: Sage Publications.

Waldinger, R., Aldrich, H. E., & Ward, R. (1990). Opportunities, Group Characteristics and Strategies. In R. Waldinger, H. E. Aldrich, & R. Ward (Eds.), *Ethnic Entrepreneurs* (pp. 13-48). Newbury Park, California: Sage Publications.

Waldinger, R., McEvoy, D., & Aldrich, H. E. (1990). Spatial Dimensions of Opportunity Structures. In R. Waldinger, H. E. Aldrich, & R. Ward (Eds.), *Ethnic Entrepreneurs* (pp. 106-130). Newbury Park, California: Sage Publications.

Walker, K. E. (2018). tidycensus: Load US Census Boundary and Attribute Data as 'tidyverse' and 'sf'-Ready Data Frames: R package version 0.8.1. Retrieved from https://cran.r-project.org/package=tidycensus

Walker, K. E., & Leitner, H. (2011). The Variegated Landscape of Local Immigration Policies in the United States. *Urban Geography, 32*(2), 156-178. doi:10.2747/0272-3638.32.2.156

Wang, L., & Lo, L. (2007). Immigrant grocery-shopping behavior: ethnic identity versus accessibility. *Environment and Planning A, 39*(3), 684-699.

Wang, Q. (2012). Ethnic Entrepreneurship Studies in Geography: A Review. *Geography Compass, 6*(4), 227-240. doi:10.1111/j.1749-8198.2012.00482.x

Wang, Q. (2013a). Beyond Ethnic Enclaves?: Exploring the Spatial Distribution of Latino-Owned Employer Firms in Two US Immigration Gateways. *Journal of Urban Affairs, 35*(5), 569-589.

Wang, Q. (2013b). Constructing a multilevel spatial approach in ethnic entrepreneurship studies. *International Journal of Entrepreneurial Behavior & Research, 19*(1), 97-113.

Wang, Q. (2013c). Industrial concentration of ethnic minority- and women-owned businesses: evidence from the survey of business owners in the United States. *Journal of Small Business & Entrepreneurship, 26*(3), 299-321. doi:10.1080/08276331.2013.803675

Wang, Q. (2015). Foreign-Born Status, Gender, and Hispanic Business Ownership Across U.S. Metropolitan Labor Markets: A Multilevel Approach. *Economic Development Quarterly, 29*(4), 328-340. doi:10.1177/0891242415598837

Wang, Q. (2018). Disparities and Divided Growth: Ethnic Entrepreneurship in the Greater Los Angeles Area, 1980–2015. *Growth and Change, 49*(2), 339-360. doi:doi:10.1111/grow.12239

Wang, Q., & Li, W. (2007). Entrepreneurship, ethnicity and local contexts: Hispanic entrepreneurs in three U.S. southern metropolitan areas. GeoJournal, 68(2-3), 167-182. doi:10.1007/s10708-007-9081-0

Weeks, J. (2004). Unpopular Culture: The Ritual of Complaint in a British Bank. Chicago: University of Chicago Press.

Welch, B. K. (2010). The effect of social capital and identity factors on Latino/a business network success in new destination communities. (PhD), Iowa State University, Ames, Iowa. Retrieved from http://lib.dr.iastate.edu/etd/11389 (11389)

Wen, M., Lauderdale, D. S., & Kandula, N. R. (2009). Ethnic Neighborhoods in Multi-Ethnic America, 1990-2000: Resurgent Ethnicity in the Ethnoburbs? Social Forces, 88(1), 425-460. doi:DOI:10.1353/sof.0.0244

Wickham, H. (2018). stringr: Simple, Consistent Wrappers for Common String Operations: R package version 1.3.1. Retrieved from https://cran.r-project.org/package=stringr

Wickham, H., François, R., Henry, L., & Müller, K. (2018). dplyr: A Grammar of Data Manipulation: R Package Version 0.7.6. Retrieved from https://cran.r-project.org/package=dplyr

Willets, S. (2017, November 9). The Alamance County Sheriff's Office Was Booted from a Federal Immigration Program Over Accusations of Discrimination. Now It Wants to Rejoin. IndyWeek. Retrieved from https://www.indyweek.com/news/archives/2017/11/09/the-alamance-county-sheriffs-office-was-booted-from-a-federal-immigration-program-over-accusations-of-discrimination-now-it-wants-to-rejoin

Wilson, J. H., & Singer, A. (2011). Immigrants in 2010 Metropolitan America: A Decade of Change. Retrieved from http://www.refugeehighway.net/downloads/region-namerica/2010-Brookings-Report-Decade-of-Change-USA.pdf

Wilson, K. L., & Portes, A. (1980). Immigrant Enclaves: An Analysis of the Labor Market Experiences of Cubans in Miami. American Journal of Sociology, 86(2), 295-319. doi:10.1086/227240

Yee, V. (2017, November 26). "Please, God, Don't Let Me Get Stopped": Around Atlanta, No Sanctuary for Immigrants. The New York Times, p. A1. Retrieved from https://www.nytimes.com/2017/11/25/us/atlanta-immigration-arrests.html

Yoon, I.-J. (1997). On My Own: Korean Businesses and Race Relations in America. Chicago, Illinois: University of Chicago Press.

Young, C. A., Shinnar, R. S., & Choi, S. (2009). Financial behaviors among Hispanic immigrants. Journal of Personal Finance, 8, 147-169.

Younkin, P., & Kuppuswamy, V. (2017). The Colorblind Crowd? Founder Race and Performance in Crowdfunding. Management Science (Articles in Advance), 1-19. doi:10.1287/mnsc.2017.2774

Zarrugh, L. (2007). From Workers to Owners: Latino Entrepreneurs in Harrisonburg, Virginia. Human Organization, 66(3), 240-248. doi:10.17730/humo.66.3.6048634r4402v675

Zelinsky, W., & Lee, B. A. (1998). Heterolocalism: an alternative model of the sociospatial behaviour of immigrant ethnic communities. International Journal of Population Geography, 4(4), 281-298. doi:10.1002/(SICI)1099-1220(199812)4:4<281::AID-IJPG108>3.0.CO;2-O

Zhou, M. (2004). Revisiting Ethnic Entrepreneurship: Convergencies, Controversies, and Conceptual Advancements. International Migration Review, 38(3), 1040--1074. doi:10.1111/j.1747-7379.2004.tb00228.x

Zhou, M. (2014). The Formation of Ethnic Resources and Social Capital in Immigrant Neighborhoods: Chinatown and Koreatown in Los Angeles. Paper presented at the NYU Law/Wagner Colloquium on Urban Affairs, New York.

Zhou, M., & Logan, J. R. (1989). Returns on human capital in ethic enclaves: New York City's Chinatown. American Sociological Review, 809-820.

Zhu, P., Liu, C. Y., & Painter, G. (2013). Does residence in an ethnic community help immigrants in a recession? Regional Science and Urban Economics.

Zonta, M. M. (2004). The Role of Ethnic Banks in the Residential Patterns of Asian Americans: The Case of Los Angeles. (Doctor of Philosophy), University of California, Los Angeles,

Zonta, M. M. (2012). The Continuing Significance of Ethnic Resources: Korean-Owned Banks in Los Angeles, New York and Washington DC. Journal of Ethnic and Migration Studies, 38(3), 463-484.